RESTRICTED (NOT USGovt CLASSIFICATION)

REPUBLIC OF LIBERIA

DRAFT

NATIONAL DEVELOPMENT PLAN
1967-1970

SUBMITTED TO THE

NATIONAL PLANNING COUNCIL

BY

THE DEPARTMENT OF PLANNING
AND
ECONOMIC AFFAIRS, R.L.

APRIL, 1967

B
NP-1

REPUBLIC OF LIBERIA

NATIONAL DEVELOPMENT PLAN

1967 - 1970

1967

DEPARTMENT OF PLANNING
AND ECONOMIC AFFAIRS

Table of Contents

Statement by the President

Preface

CHAPTER 1 Review of the Economy

" 2 Development Objectives and Policies

" 3 The Development Program

" 4 Financing the Plan

" 5 Agriculture and Forestry

" 6 Transport

" 7 Communications

" 8 Public Utilities

" 9 Natural Resources

" 10 Industry and Commerce

" 11 Education and Social Welfare

" 12 Health

" 13 Housing, Building and Physical Planning

" 14 Statistics

" 15 Manpower

" 16 Plan Implementation

NOTE: Paragraphs are numbered in sequence by chapters. (i.e. Paragraph 44 of Chapter 6 is numbered 6.44; Paragraph 11 of Chapter 12 is numbered 12.11).

STATEMENT BY THE PRESIDENT

1. In launching our National Development Plan for the years 1967-1970 the Government of Liberia is seeking to increase the pace at which the nation is achieving its social and economic goals. Much progress has been made, especially in the last several years, and the basis of a sounder economy has been created. This is the time to consolidate these gains and initiate an orderly process of continuing growth in the economy and a broader distribution of the fruits of economic progress.

2. To this end we must devote all the resources of the nation, not only financial resources but equally its human and administrative resources, to the coordinated and rational pursuit of our national goals. The policy and investment decisions that are at the heart of the planning process must each be weighed in terms of their contribution towards increasing the rate of economic and social progress.

3. The availability of resources to finance development during this plan period will be stringent relative to the long-run potential of the economy to generate such resources. For this reason the National Development Plan strives to concentrate effort in areas where we can expect the most rapid returns. Throughout the Plan we must emphasize increase efficiency and output. Only in this way can we achieve the increase in national income and government revenues required for the adequate provision of the full range of economic, social, educational, and health services which are

instruments to a better life for all of our population.

4. To accelerate the growth of investment during the coming years, the basic philosophy of the Open Door Policy which has resulted in unprecedented growth of the economy will be continued. Our national investment climate will continue to be characterized by the unique combination of political stability, free movement of capital without currency restriction and reasonable taxation.

5. We shall continue to pursue the principles and philosophy of the free enterprise system and it shall be the policy of Government to encourage the initiation and establishment of industries through private investment. Every effort will be made to encourage Liberian participation in industrial projects benefiting from foreign capital participation and technical know-how.

6. Government shall take positive steps to support, through investment incentives, productive investments in the private sector of the economy. Special attention will be given to investment undertakings which will result in import substitution, the use of local raw materials and projects which contribute not only to growth in the domestic product but also significantly to growth in the national product.

7. The activities included in the Plan will contribute to meeting our general objectives: a steadily rising income ever more equitably distributed; national integration; and ever widening participation by our citizens in the economic activities of the country.

8. Two specific criteria for determining priorities should be emphasized:

a) Highest priority should be given to productive projects, those for which the economic returns are greatest. One of the obvious sources of continuing financial difficulty is the fact that many existing public projects, while being essential to development, did not generate substantial additional income or government revenue in the short-run, while they added to the burden of recurring costs. A greater share of future development expenditure must therefore be allocated to programs with greater income generating effects in the short-run, and consequently with greater government revenue effects.

b) Other things being equal productive projects for which foreign financing can be found should receive priority. Put another way, those projects for which the "leverage effect" is high - each local dollar bringing in many more dollars of aid - should be given higher priority than programs and projects which depend exclusively or largely on local financing.

9. These criteria used to guide selection of priority projects will ensure that the target levels of output and investment foreseen in the Plan will be achieved, and the danger of austerity continuing through the next decade will be eliminated.

10. It should be emphasized that in formulating the Plan we have not abandoned or modified the principles of Government and economic policy that have guided the nation in the past, and which have proven their worth in the remarkable progress we have made within their framework. We are not proposing a plan that calls for a fully planned economy or overcentralized economic decision making. Rather, we are proposing a plan that, on the one hand, will present in some

detail the development allocations in the public sector designed to assure that the resources channeled through the budget make the greatest contribution possible to achieving our national goals, and, on the other hand, defines policies with respect to the private sector designed to be most conducive to the maximum contribution by the private sector, domestic and foreign, to the rapid growth of a healthy national economy. It is a plan that places major reliance on individual and private initiative.

what are key
explicitly

11. In conclusion, I wish to congratulate the Department of Planning and Economic Affairs including its Advisors and all other public officials and all others, Liberian and foreign, whose cooperative efforts and hard work made this Plan a reality. I call upon the nation to exert maximum effort to speed our economic and social development by the fulfilment of the goals and targets of our National Development Plan.

PREFACE

1. During the last two decades Liberia experienced a growth rate surpassed by few other countries which literally changed the face of the nation. Under the conditions prevailing throughout most of this period, the demands upon Government revenues were enormous, particularly for the provision of basic infrastructure. The general climate in these years, characterized by rapidly rising revenues, was favorable to the initiation of efforts to meet all such demands, without any systematic procedures for determining their relative priority in terms of the country's long-range development.

2. However, by the beginning of the present decade, it had become apparent in the light of changing economic conditions - and the increasing complexity of the society which they have helped to create - that it is no longer feasible to make current policy decisions solely in response to the circumstances of the present moment. Rather, it was recognized that such decisions must be measured as well in terms of their actual or potential contribution to the accomplishment of the structural and institutional changes which are necessary for orderly long-range development.

3. The essential rationale for development planning is that all economic targets cannot be simultaneously achieved; individual priorities must be systematically determined and pursued with a view to maximizing returns to the overall economy, and ensuring as effectively as possible against the recurrence of those periods of financial stringency and readjustment which might otherwise arise in the absence of established development priorities.

4. The process of planning for economic development in Liberia had its beginnings in early 1950 under a Technical Cooperation Agreement between the Governments of Liberia and the United States. The first attempt was a Five-Year Development Programme inaugurated in 1951 under the direction of the Joint United States-Liberian Commission for Economic Development. This programme was later expanded into a Nine-Year Development Programme which expired in 1960. Among other things, the programmes and other planning projects which followed focused attention upon the necessity for analysis and research in social and economic problems. By technical and professional standards these initial efforts left much to be desired; nevertheless, they did represent a movement in the right direction, and led to the

achievement of relatively substantial results.

5. Economic planning, in the sense of coordinated government decision-making, with decisions taken in awareness of national priorities and economic implications, is still relatively new in Liberia. The first step toward such systematic economic development planning was the Legislative Act in early 1959 which provided for the establishment of a Bureau of Economic Research. This Act was implemented in October 1959, and, by Executive Order in November of the same year, the Bureau was also made the central statistical agency of the Government. The new character of the Bureau was formalized by the Legislature in early 1961, with the redesignation of the agency as the Bureau of Economic Research and Statistics.

6. Continuing progress in both the private and public sectors of the economy resulted in growing demands upon the existing organization, and it was recognized that there was an increasingly urgent need for a more broadly based planning effort within the Government. In response to this need, the National Planning Agency was created by Legislative Act on May 8, 1962. This Agency consisted of two bodies: (1) The National Planning Council, composed of the President as Chairman and seven Cabinet

Ministers, the decision-making body on matters of economic policy and planning; (2) The Office of National Planning, the staff arm of the Agency. The Director-General of the Office of National Planning was designated as the Executive Secretary of the National Planning Council.

7. The broad general functions assigned to the Agency included the conducting of economic research, the collection of the data required for such research, the establishment of national economic priorities, the evaluation and coördination of proposals for foreign assistance and private investment, and the preparation of National Development Plans.

8. Prior to 1966, the efforts of the National Planning Agency were concentrated primarily upon encouraging the development of the necessary pre-conditions for effective planning, with major emphasis on training to strengthen the Agency's professional and technical staff, and the strengthening of procedures and institutions helpful in the making of sound, well-considered economic policy decisions.

9. The growing practice of review of individual projects by the Office of National Planning and their approval by the National Council encouraged more careful elaboration

To what extent does really happen?
What is the mechanism?

and evaluation of new programs and projects. Similarly, negotiation and/or review of applications for concession agreements and private sector proposals resulted in more orderly and careful policy decisions in this important area. These developments were augmented by growing co-operation on technical and other matters between the Office of National Planning and other Departments and Agencies of Government. These procedures, in addition to their immediate value, played an important role in laying the groundwork for the cooperative effort which has been so essential to the successful elaboration of the present Plan.

10. Another pre-requisite for meaningful planning which was met by the Office of National Planning was the development of more comprehensive information about the economy - through the special studies as well as the continuing expansion and refinement of the Government's statistical programs. The major effort of this nature was the 1962 Population Census. Other typical studies covered the manufacturing industry, the construction industry, port facilities, various public interprises, public sector accounts and gross national products.

11. Since early 1966, the efforts of the National Planning Agency have been directed largely to the step in

the planning process to which all of these earlier efforts had been leading: the mobilization of all the intellectual and technical forces of the country for the purpose of elaborating this Four-Year Development Plan for the years 1967-1970.

12. In recognition of the increasing scope of its responsibility in the planning process, and the critical role of planning in Liberia's future, the staff arm of the National Planning Agency was redesignated on August 1, 1966, by an Act of the Legislature, as the Department of Planning and Economic Affairs.

What is the place of this Department in government hierachy - among different ministries or dept

13. The period of the growth of an organized and systematic approach to development planning has also seen a concurrent improvement in the budget procedure in general, and in the evolution of the concept of the Development Budget - both of which are integral parts of the development planning process.

14. The 1966 budget contained an attempt to provide explicitly for a development budget, the crucial link between planning and implementation, in the form of identification and separation, within the general budget, of appropriations for development projects and programs. This process was intended to assure that funds are made available for the highest priority development activities,

that the total requirements of the development program are met to the maximum extent possible and that implementation can be more easily evaluated. This evolution of the development budget has contributed significantly to the strengthening of the planning process, since the relationship between the nation's plans and its action programs can now be much more explicitly defined.

15. If the greatest possible benefit is to be derived from this process, the major area requiring further analysis is the analysis of the relationship of development to the full range of governmental functions. This in turn will permit a more precise definition of expenditures which should be included under the heading of development and their segregation from those items which should be provided for in the non-development portion of the budget.

16. The 1966 Development Budget was largely a capital budget, comprised almost exclusively of appropriations for construction and equipment. In 1967, however, the Development Budget provides several important allocations for non-capital items which, by their nature, are nonetheless essential components of development expenditure.

17. The actual preparation of the Plan as such was initiated with the organization of the eleven interdepartmental Policy and Planning Committees established

by Executive Order No. 10, dated April 10, 1966: Agriculture and Forestry; Communications; Education; Health; Industry; Manpower; Natural Resources and Surveys; Ports and Air Transport; Power and Water; Revenue and Tax and Roads.

18. These Committees provided for the broadest possible representation of various segments of the private sector. The Department of Planning and Economic Affairs, in view of its overall responsibility for coordinating plan preparation, was represented on all Committees and furnished at least one member of the secretariat of each Committee. has this achieved,

19. In general, each Committee sought to: define the targets to be set in each sector, formulate an investment program designed to achieve these targets within limits set by prospective resources, identify policy issues implicit in the targets and their achievement, and propose any institutional or administrative changes considered necessary or desirable in the sector.

20. It cannot be over-emphasized that these Committees, representing a broad inter-departmental consideration of each of the key sectors of the economy, have been a major factor in the preparation of the Plan. They have ensured that the views, expertise, and experience of the full range of relevant agencies have been brought to bear in

the planning each of the individual sectors. Consequently the Plan should be viewed as a joint product of all segments of the economy, reflecting the best possible balance of the many and varied interests involved in such an effort.

21. This Plan has been prepared in a period that has witnessed some slowdown in the rapid pace which marked Liberia's development in the recent past. The present period may be looked upon as one of consolidation of past gains, a "digestion" phase following upon the rapid changes which occurred in the decade prior to 1962. This situation, accentuated by declines in world market prices for the two major export commodities, has resulted in the current period of relative austerity.

22. Under these conditions, the restriction of "normal" Government expenditures to the practical minimum becomes increasingly important if funds are to be available for even the most urgently needed developmental projects and programs. Here again the key role of the budget process - including the essential corollary of expenditure control within budgetary limits - is made apparent.

23. Government's budget is the single most important instrument of development policy - public spending and taxing at once expressing priorities within the public sector

itself and influencing the pace and direction of economic activity within the private sphere. This is even more critically true when the plan faces implementation in times of relative austerity, when it may not be possible to meet fully those demands upon Government revenues which are generally recognized as essential to economic development.

24. It is recognized that there may be severe limitations upon the possibility of successful implementation of a development plan which is not consciously and realistically related to the principal non-economic factors operating in any country even if these factors are not formally incorporated in a detailed manner into the plan itself. Consequently, every effort has been made in the present plan to provide for consideration of the political, social, and cultural implications of the various programs and projects, and to modify the proposals in the light of these considerations to the extent that such action has been deemed necessary.

25. For example, where relevant, the individual projects and programs have been evaluated in terms of its relationship to the program of National Unification. For the success of the Plan will ultimately be measured in terms of its contribution to this broader aspect of Liberia's national destiny and the destiny of each of her citizens.

CHAPTER 1

Review of The Economy

1.1 The economic history of Liberia since independence falls into two sharply contrasting periods: the approximately one hundred years from the establishment of the Republic in 1847 to the end of the Second World War and the two decades since then. Throughout the long earlier period, the Republic led a precarious existence, both politically and economically. During this period the major characteristic of the economy was isolation. Not only was the nation isolated from the major centers of world economic activity and the channels of international trade, but even within the country most localities were cut off from easy communication with other parts of the country. For this and other reasons, the period was one of little, if any, change in the mainly subsistence structure of the economy. While there were intermittent periods of vigorous agricultural or commercial activity, these never generated sustained growth. Sooner or later these periods of development were brought to an end by the inhibiting effect of the isolation of the enclaves in which they made their appearance.

1.2 In contrast, the two decades starting in the mid-nineteen forties have been marked by rapid development characterized by pervasive structural changes that have altered the face of the economy and have created for the first time the possibility of initiating a process of sustained growth.

1.3 This period of rapid growth was proceded by two major changes that took place in the later part of the proceding period, and were instrumental in facilitating the subsequent change in the performance of the economy.

a) In the middle of the 1920's the first major foreign investment took place, the establishment of large-scale rubber production by a major international firm, Firestone, which ultimately developed the world's largest rubber plantation.

b) During the Second World War Liberia provided the Allies with transport routes and staging areas, leading to the establishment of the international air port at Robertsfield and ultimately to the construction of modern port facilities at Monrovia.

1.4 Together these changes greatly increased the contact between the national economy and the world economy, and to a lesser extent reduced isolation within the country; created a major source of employment; and initiated the process of significant monetization of the economy - all necessary but not sufficient proconditions for the subsequent period of rapid growth and development. Three additional factors played significant roles in the rapid post-war transformation of the economy:

a) The Open Door Policy announced by President Tubman in his first inaugural address, which together with the absence of any exchange controls and the internal circulation of an international reserve currency, the US dollar having been adopted as the medium of exchange in 1944, has created one of the most attractive investment climates to be found in the developing world.

b) Investment on a major scale in the exploitation of the nation's substantial reserves of high quality iron ore, representing autonomous investment at a very high rate relative to population.

c) Programs of foreign assistance making their appearance for the first time in the postwar period, which not only furnished significant additions to available investment resources but also supplied necessary key elements of technical expertise that would otherwise have been missing.

Sources of Growth

1.5 Iron Ore: The iron ore industry had its beginning in 1946 when the first concession agreement was signed with the Liberian Mining Company (LMC). LMC started operations in the Bomi Hills area in 1951. Subsequently three more companies opened up major iron ore deposits. Hundreds of millions of dollars were invested in roads, railroads, plant facilities, harbors, and new towns. Exports of iron ore amounted to nearly $120 million in 1966, export volumes having increased from 2.8 million long tons in 1961 to over 15 million long tons in 1966. Towards the end of the pre-Plan period two of the iron ore producers made decisions to construct pelletizing plants - a major step towards forward vertical integration - increasing the degree of processing within Liberia. One of the two plants is now under construction.

1.6 Rubber: The rubber industry is still led by the Firestone Company, whose Harbel Estate now has more than 80,000 acres under cultivation. Other foreign firms have been attracted to Liberia as well and together have another 50,000 acres planted in rubber, the major part of which will come into production in the next five years. In addition to the foreign-owned rubber plantations, many Liberian-owned rubber farms have been established, with a total area under cultivation of 140,000 acres. Of some 4,000 independent farms, 250 have an area of more than 100 acres. Total rubber production amounted to nearly 120 million pounds in 1966 with an export value of about $26 million.

1.7 As a result largely of the investments in iron ore and rubber, additional foreign resources have been invested in expansion of commercial services, construction activity, roads, railroads, port facilities, and industry.

1.8 Increased Government Revenues: During the past two decades of extraordinary economic expansion, Government revenues increased from under $4 million in 1950 to about $45 million in 1966. This in itself enabled Government for the first time to take an active and important role in development. Increased Government revenue made it possible to vigorously implement a policy of economic development and national unification. The importance of this policy must be evaluated against the background of a nation which twenty years ago consisted of a large number of different tribal areas, with different languages and customs, and a series of coastal enclaves, all isolated from each other and with only a minimum of central administration. Today citizens from all parts of the Republic are found working, studying and living together.

1.9 The country has been further united by a network of primary and secondary roads. Areas which were once separated by days of arduous travel are now easily reached by road in a matter of hours. The country now has 3,800 miles of all weather roads. Just prior to 1950 this total was a modest 230 miles.

1.10 The Government has extended its administrative, social and economic services to all areas of the country. Total school enrollment in 1950 was 20,000. This has now been increased to 95,000. Most of this increase has taken place in the interior of the country. Similar achievements have been made in health.

1.11 By the early sixties, however, it became apparent that Government had over-extended itself. First of all there was the enormous backing of infrastructural needs which, under the feeling of boom that characterized the preceding period, it seemed possible to meet all at once. Secondly since revenues were increasing rapidly, forecasts of future revenue prospects were bright and foreign creditors were obliging. There was, however, little coordination and effective planning in the use of public resources. Because of the absence of effective systems of budgeting, accounting and expenditure control, Government was unable to foresee the magnitude of its financial commitments as they evolved. Then rubber and iron ore prices fell, seriously aggravating the problem by sharply reducing the anticipated increase in revenues, and precipitating a financial crisis involving a debt burden in 1963 of $153.8 million of which $33.5 million or approximately the total of government revenues for that year, was due for payment in 1963.

1.13 In the years following 1963, revenues rose relatively rapidly again, mainly as a result of increased production and export of iron ore from the new mines. Although a regime of austerity was maintained during this period the revenue increases gave room for substantial increases in expenditures. While debt service payments declined over this period from about $11 million in 1964 to $9.5 million in 1966, non-debt expenditures increased by some $9 million, of which about $2.5 million was spent as Government contribution to a series of development projects financed through external assistance. Although the period shows an increase in development expenditures, the increase in operating expenditures was more rapid. The bulk of this increased expenditure was for personnel service with little additional provision for operating costs in recent budgets.

1.14 By the end of 1966 the iron ore mining companies were producing almost at full capacity. Without the entrance of new iron ore ventures only small increases in revenues from concessions under present arrangements can be expected in the immediate future. Unless there is considerable increase in other taxes, especially customs revenues, which are related to economic activity or unless new revenue sources can be found, total revenues will increase only slowly. If at the same time current expenditures continue to grow at a rate of 8-9% per year as in the last two years, a current budget deficit of the magnitude of $1.5-$2.0 million in 1968 can be anticipated, even if the present budget support continues, without any new development programs and with no redress in the imbalance between personnel and supporting costs. In 1969 and 1970 the situation will be even more critical due to a sharp increase in debt service.

1.15 There is little hope to maintain the rate of growth in revenues experienced over the last few years unless income growth is accelerated and this again depends on the magnitude and composition of the development program. If development projects are sacrificed because of lack of resources the level of economic activity is unlikely to rise and may even decline, with an adverse effect on future revenues, which would further aggravate the situation.

Projects [illegible]

1.16 An important step towards meeting the requirements of a substantial increase in the development effort during the plan period was the introduction of the Austerity Plan in connection with the 1967 budget. This plan includes:

a) The establishment of a special debt service account equal to 1½% of total revenues collected, to assist in meeting the increase in debt service in 1969 and 1970.

b) Reduction in allowances by 10%. Items to be reduced include: (a) entertainment allowances, (b) selected cash allowances and (c) all foreign travel allowances.

c) The introduction of an Austerity Tax. A tax on the net salaries and wages of citizens in both the public and the private sector of 4.2% for incomes over $600.00 per annum and of 2.1% of salaries below $600.00 per annum.

d) Improvements in collection of excise taxes by imposing the tax on raw materials used in production of the commodities, rather than on the final product.

e) Improvements in the control of duty free privileges by requiring all agencies and institutions having such privileges to provide the Commissioner of Customs, through the agencies of Government responsible for their activities, a complete itemized estimate of the quantities expected to be imported during a specific period.

f) Adjustment of the tariff to reduce the rate on certain commodities, which were unintentionally increased in the recent revision of the tariff.

g) Change in commerce Registration fees for taxicabs, buses and trucks from the present $100 per year per firm to $25 per year per vehicle, minimum charge $50.

h) Increase in Vehicle Licence Fees.

1.17 The Flow of External Assistance: External Assistance fills a very important gap in the financing of Liberia's social and economic development. Without external financial assistance, the considerable infrastructural investments made over the past few years would not have been possible. In addition to loan funds for such capital projects, Liberia receives a variety of grants in forms of technical assistance in various areas of Government operations, in particular education.

1.18 No complete record of total external assistance is available for years prior to 1964, but the U.S. Government has been the major source of technical assistance, while the Eximbank has provided the major part of loan capital contributions. The United States grant assistance to Liberia increased from about $5 million in 1960 to about $9 million in 1963. The Export-Import Bank loans totaled about $35 million during the period 1951-1961.

1.19 Since 1963, however, the Liberian Government has signed new loan agreements with other donors, such as United States Agency for International Development and the International Bank for Reconstruction and Development, the Kreditanstalt Fur Wiederaufbau of the Republic of Germany and technical assistance is now obtained from a much broader range of donors, including the United Nations. The U.S. technical assistance has continued at the same time and the total inflow of official foreign aid is now about $30 million per year.

1.20 Table I shows total foreign aid over the past three years distributed by donors and types:

TABLE I

Foreign Assistance 1964 - 1966

($000)

	1964		1965		1966	
	Capital	Non-Capital	Capital	Non-Capital	Capital	Non-Capital
United States	3,549	7,888	13,912	7,453	13,627	9,286
West Germany	10	391	3,400	265	4,200	261
United Nations	-	664	-	1,192	-	964
World Bank	70	-	1,414	-	1,597	-
China	-	155	-	110	-	110
All others	275	358	575	341	-	842
Total	3,904	9,456	19,301	9,361	19,424	11,463

1.21 Capital assistance covers construction and equipment and is almost entirely on a loan basis. Non-capital is a residual and consists mostly of grants. Capital assistance has been received for such infrastructure investments as schools, roads, health facilities and the Mt. Coffee Hydro-electric Dam, while non-capital assistance is technical assistance in the form of scholarships and experts in various fields under United Nations Regular and Expended Programs and the Special Fund, the Peace Corps, various USAID financed programs and many others.

1.22 As can be seen from Table I the substantial increase in total foreign aid between 1964 and 1966 was due to increase in capital projects. Some of these projects will start in 1967, unless further capital projects are initiated, total foreign aid will decline towards the end of the plan period.

1.23 A comparison of total external assistance with domestic Government resources shows clearly the very important role played by external aid in the development programs of the country. Total resources available to the public sector amount to some $75 million per year out of which $30 million, or about 40%, comes from external sources. Taking into consideration that expenditures such as normal operating costs and debt service have to be financed out of domestic resources, the importance of external aid as a source of development financing becomes even more obvious.

1.24 It must be borne in mind, however, that external aid carried with it domestic financial responsibilities. First, almost every external aid project requires some contribution from the Government in form of land, site clearance, housing and office space for experts etc., and in many cases direct cash contributions. Secondly, in the case of capital projects external aid is normally obtained only in the construction phase, while it becomes the responsibility of the Government to operate and maintain these facilities when construction is completed. This can be a substantial burden on the Government and "commit" resources that would otherwise have been available for development projects in following years. Thirdly, loans will have to be serviced in the future. This also reduces resources available for new spending in future years.

1.25 The fact that foreign aid is not costless does not, of course, mean that Liberia should not try to obtain as much foreign aid as possible, but it does mean, that all projects should be carefully analysed in terms of their present and future budgetary implications as well as in terms of how well they "fit" within the plan framework, before a decision on them is taken.

Problems Confronting the Economy

1.26 The prospects for future economic growth are good. However, various problem areas in the present economic structure merit close attention. These problems, if unheeded, could interrupt the continued high rate of growth achieved by sound economic policies for [illegible]

[illegible]

the development of our resource endowment. These problem areas are discussed below.

a. Dependence on Two Primary Export Products

1.27 Iron ore and rubber account for some 30% of gross domestic product and about 90 percent of value of total exports. As has been noted previously the trend of world prices for these products is downward. Increasing diversification of production and the introduction of intermediate processing is necessary to broaden the national economic base.

b. Wide fluctuations in Investment Activity.

1.28 An investment boom, such as that which started in the late 1950's in which both private and public investment built up over a short period of time to levels quite high as compared to the pre-boom period, inevitably led to levels of employment, revenues, and associated service activities which can not be sustained when the investment boom subsides. The post-boom period will be characterized by painful adjustments including contraction of employment, slowing down in commercial activities, and a depressing impact upon government revenues leading to austerity. These adjustments will inevitably be more severe when the boom was very large relative to a small economy. While neither the private sector nor the government has complete freedom in determining the timing of their investments, both sectors should attempt to schedule their investment programs to the extent possible without affecting their basic objectives in order to minimize fluctuations in the level of investment. To this end it will be necessary to create a full flow of information on

good point, but how to enforce it – what is the mechanism which will [illegible] its works.

private investment plans and a more effective dialogue between the public and private sertors.

c. Limitation of Public Resources Available for Development

1.29 The scope for government actions to increase revenues is at present limited. Revenues depend to a large extent on the profitability of concessions and on economic conditions largely determined by external forces. The service of the public debt incurred during the investment boom is a large first claim on revenues and will be increasing in size over the next several years. The tax burden on the majority of the public is already heavy. The government can, and must, increase revenues, but these factors set limits to the extent to which freely available resources can be increased. This underscores the need for caution in the increase of expenditures which do not directly foster development or contribute to meeting the government's major objectives.

d. Efficiency of the Public Administration

1.30 Public administration has justifiably expanded rapidly. It must be recognized however that, as in any rapidly expanding organization efficiency has frequently fallen below acceptable standards. Efforts to remedy this situation in this period of consolidation have been less effective than necessary because of the lack of the required resources. Inefficiency is usually found where the ratio of support costs to payroll is low. Insufficient funds are available to support qualified personnel with the necessary supplies and

[illegible]

Is this the main problem in Liberia? Or is it that the number employed are increasing very rapidly. Has there any rise in salaries during the past period. What is the plan to increase efficiency

Is not a question
too high labor capital ratio for existing equip?

equipment to make their work effective. Consequently, support (materials, supplies, equipment) for development programs must be increased to ensure efficiency.

e. Liberian participation in the Economy

1.31 The high level of foreign investment and the dynamic nature of our economy has attracted many foreigners to Liberia. Liberia will continue its policy of hospitality, consistent with the Open Door Policy, realizing that in a rapidly gowing economy there is a place for all. However, Liberian participation in the industrial sector has been limited as reflected in the large difference between and rather slow increase of National Income as against the Domestic Product.

1.32 More serious efforts must be made to encourage increased agricultural production by Liberian farmers and to support Liberian participation in commerce, industry and service activities. Specific training programs must be organized to train Liberian for supervisory and management functions in large foreign enterprises. It is to the advantage of foreign enterprises to train and use Liberian personnel instead of expatriates.

f. The Balance of Payments, the Money Supply and the Budget

1.33 Although the Liberian dollar is the legal tender of the nation, the notes in circulation consist of the U.S. dollar, and there is complete freedom of international transfers. Furthermore, since the effective circulating medium is the currency of another country, the Government maintains no central banking mechanism, nor does it maintain reserves of foreign exchange in any significant amounts.

1.34 In a sense, Liberia does not have a conventional balance of payments problem of the type experienced by many developing countries. The Government does have substantial obligations to foreign creditors, but these could be acceptably paid by the currency that circulates within the country. In addition, an unusually high proportion of total investment in the past has been in the form of foreign investment which has supplied directly a large part of the import component of total investment.

1.35 What in other countries arises as a balance of payments problems, is for Liberia really a budgetary problem - the ability of the Government to raise sufficient revenues in "local currency" to meet its current obligations, domestic and foreign. On the other hand, in Liberia an unusually large proportion of the money supply is generated by foreign transactions and the supply of the circulating currency is produced by export surpluses and could be extinguished by a series of balance of trade deficit. Thus, while the monetary system of Liberia precludes a conventional balance of payments problem, its foreign trade may give rise to important budgetary and monetary problems. This is not to say that the present monetary system is not, on balance, an advantage to the country. The use of a major international reserve currency as the circulating medium has, by defination, meant stability of the exchange rate, and this, in turn, has been one of the major inducements leading to the high level of foreign investment that has taken place. It also does not imply that the government can safely ignore its balance of payments, and, in particular, the level of its exports. Like all developing nations, Liberia has a resources problem which in the long-run will be eliminated only by a substantial growth in exports.

Weak Linkage Effects:

1.36 Linkage effects are said to exist in an economy when a substantial increase in production in one sector leads to a subsequent increase of production in other sectors of the economy.

1.37 While in Liberia very large investments is mining and in the rubber industry do give rise to substantially increased income in these sectors, since a high proportion of all consumer and capital goods are not produced in Liberia, a correspondingly high proportion of these increased incomes become demand for imports. As a consequence, the secondary productive increases that might have been expected in agricultue, industry and services, to satisfy the resulting increase in demand has been smaller than would have been experienced in a larger economy.

[illegible]

Perspectives for Economic Growth:

1.38 The immediate future will be characterized by a reasonable rate of growth. The availability of human and natural resources, combined with Liberia's traditional liberal policies creates the conditions for substained economic growth over a long period.

1.39 Liberia will continue to utilize the assistance of foreign capital and know-how. The traditional policy toward foreign investment will guarantee that Liberia will remain an attractive country to foreign investment.

1.40 Liberia has extensive uncultivated land areas suitable for agriculture. Both the Government and private firms are experimenting with new crops and new methods. Early in the next decade new agricultural export products will begin to what are these? make substantial contributions to our export trade. There are ample opportunities for improvement in traditional export crops and for expansion of production for the local market.

1.41 Liberia has large areas of untouched forests. An annual [illegible] production of wood and wood products of many times the present level is possible. This production will increase gradually in the next few years reaching high levels in the next decade. Forest products industries will be established.

1.42 Liberia is rich in mineral resources as well and it is possible that substantial unknown reserves of various minerals are still to be discovered. The systematic geological survey presently underway will help to locate reserves which can be exploited economically.

1.43 Liberia has manpower to develop its natural resources. ? in the time? The process of absorbing labor from subsistence agriculture into the market economy has only begun. There is major scope for employment of Liberians in positions held by expatriates.

1.44 Though an enormous task of education and training confronts us, the fact remains that for a long time to come economic growth will not be hindered because of a lack of human and natural resources.

the present
[illegible]
[illegible]
satisfactory
[illegible]

CHAPTER 2

DEVELOPMENT OBJECTIVES AND POLICES

2.1 The present Development Plan has been conceived as an integral part of Liberia's continuing program of national consolidation and unification, designed to ensure the fullest possible realization of the country's economic potential.

2.2 To this end, the Plan provides for the mobilization - during the next four years - of all available knowledge, experience, and resources for a concerted movement toward the achievement of the following long-range development objectives:

a) A steadily increasing per capita income through increased production.

b) A distribution of income conducive to long-run political stability and social justice.

c) A fuller participation by Liberians in positions of skill and responsibility in all areas of the economy.

d) A more widespread distribution of the benefits of economic advance, to bring better and longer lives to Liberians of all regions and social groups.

e) A more broadly-based economic and industrial development through realization of the economies of scale and the increasing returns resulting from active participation in joint economic projects involving other nations of the West African sub-region.

to the [illegible]

2.3 Viewed from the standpoint of its contribution to the achievement of these objectives, it will be seen that the Plan represents an indispensable step in Liberia's movement into the future and toward the full realization of her national destiny, as well as the individual destinies of each of her citizens.

Liberians for participation in the overall development effort.

2.7 Progress along these lines has resulted in an ever-increasing number and variety of projects and services competing for still relatively limited resources. This situation has called for hard decisions with respect to the specific projects and programs to be included in the Plan, and has made it necessary to delay or modify a number of desirable development activities.

2.8 In making such decisions first consideration has been given to the contribution of each project or program to the long-range development objectives. Then, in selecting individual projects from among those meeting this first test, priority has been placed - other things being equal - where the most immediate returns can reasonably be expected and where effective foreign assistance is most likely to be forthcoming. These criteria cannot, of course, be applied to all projects. In a number of cases, such as those involving infrastructural development or the provision of social services, it has been necessary to give first consideration to potential effects on long-term development irrespective of prospects for short-run return or availability of foreign funds.

How evaluated?

Priorities

has this been done sector by sector?

2.9 It is, of course, difficult to assess the contribution to overall development of any single, specific development project, and it is certainly impossible to quantify the costs and benefits in a way that would permit the determination of a single unambiguous measure of returns. This is so partly for reasons inherent in the problem and partly for reasons inherent in the present state of development. No satisfactory technique for comparing a road and a health clinic, for example, and arriving at a basis for choice between them has been devised. The problem is further complicated in Liberia by the gaps in the basic data necessary for full quantification.

2.10 This does not mean, however, that it is not possible to plan or make sound judgments about the relative merits of individual projects. It is possible to ascertain whether a project makes a net contribution to growth and to the achievement of other key objectives. Also, it is possible in many cases to develop a basis for choosing among closely similar projects or programs. The important thing is to be sure that the project or program contributes to growth.

2.11 With these considerations in mind, the following more specific criteria have been applied in selecting projects for inclusion in the Plan and for allocating total resources among them.

a) Increase in gross national product and employment, directly and indirectly, per dollar of investment.

b) Impact on Government revenues and ability to attract foreign finance.

c) "Liberianization", through training of Liberians, creation of investment opportunity for Liberians, etc.

d) Broadening of the economic base through diversification of production which will result in increased exports and import substitution.

2.12 The plan focusses primarily upon the public sector and the major tasks to be accomplished in this phase of development are: improved general administration, together with organization and development of specific institutions and procedures vital to future economic and social advance; new and improved transport and communication facilities; increased agricultural production through encouragement of improved techniques and provision of a more viable marketing structure; expanded exploitation of natural resources; and continuing improvement of health, educational and other social services.

marketing is a bottle neck
what steps are taken to ensure
the and improve the
marketing and the
delivery of goods to
consumers.

2.13 Transportation development, particularly roads, is given heavy emphasis, since aside from the desirable social and political effects of improved transport, it is essential for the exploitation of timber resources and development in general.

2.14 In agriculture, along with the expansion of local food production, particular attention is given to the stimulation of new export crops.

Like what

2.15 Education and training, vital to all areas and stages of the development process, continue to receive high priority, with emphasis on improvements in quality, particularly at the secondary level.

2.16 In the private sector Government will continue its efforts to provide the necessary infrastructure and maintain an environment congenial to private investment. Liberia will continue to play an active role in efforts to bring about economic integration in the West African sub-region on a sound cooperative basis.

2.17 Specific goals are discussed in the chapters dealing with each of the individual sectors.

CHAPTER 3

THE DEVELOPMENT PROGRAM[1]

3.1 The total size of the Development Program and the proposed distribution of its financing is shown in the following table. The budget implications appear in line (10) of the table:

TABLE 1

Development Program and Financing
($000,000)

	1967	1968	1969	1970	Total
(1) Existing Programs	17.8	11.9	3.3	2.2	35.2
Financed by:					
(2) Budget Appropriation	2.7[2]	2.2	1.7	1.7	8.3
(3) Other Domestic Sources	-	-	-	-	-
(4) External Assistance	15.1	9.7	1.6	.5	26.9
(5) New Programs	4.1	9.6	19.0 ~~18.9~~	22.4	55.1 ~~54.8~~
Financed by:					
(6) Budget Appropriation	.8[2]	4.0 ~~3.8~~	6.4 ~~6.3~~	8.0	19.2 ~~18.9~~
(7) Other Domestic Sources	1.0	1.2	1.4	1.4	5.0
(8) External Assistance	2.3	4.4	11.2	13.0	30.9
(9) Total Program	21.9	21.5	22.3	24.6	90.3
Financed by:					
(10) Budget Appropriation	3.5[2]	6.0	8.1 ~~8.0~~	9.7	27.[illegible]
(11) Other Domestic Sources	1.0	1.2	1.4	1.4	5.0
(12) External Assistance	17.4	14.1	12.8	13.5	57.8

what with [illegible]

---

[1] This chapter is a summary of the sector development programs which are detailed in the individual sector chapters beginning with Chapter 5.

[2] Budget figures.

2 per year

22.5 per year

I rate is difficult to achieve

5 - difficult

How did you estimate the external assistance ?

the plan

is it committed or in negotiating stages

3.2 The total development expenditures over the four year plan period is $90 million or $22.5 million per year on average. This is substantially more than the average yearly expenditure in the previous four year period. Plan expenditures in 1967 total about $22 million compared with actual expenditure in 1966 of about $23.5 million.[1/] It must be added, however, that 1966 was a peak year with substantial parts of total expenditures on Mt. Coffee, the Medical Center and the Jr.-Sr. High School falling in that year. Apart from a small decline in 1968, the Program will imply a steady growth in development expenditures from less than $10 million in 1964 to about $25 million in 1970.

3.3 Although the information available for earlier periods is incomplete, such information as is available indicates that the present Plan, if implemented, represents a substantial increase in development expenditures compared with any previous period. Furthermore, the program is a coordinated and balanced increase in expenditures in the key sectors of the economy seeking an effective allocation of scarce Government resources.

3.4 In formulating the total Program, decisions on the allocation of resources are very important in order to secure maximum contribution for development from the very limited resources available to Government.

[1/] Since the budget accounts only for the expenditure of Government revenues these figures are not comparable to the Development Budgets as they appear in the 1966 and 1967 budgets. To the budget figures would have to be added disbursements from foreign aid in those years to arrive at the total cost of the development program.

3.5 Table 2 shows the allocation of total development expenditures over the plan period between the key sectors of the economy.

TABLE 2

Allocation of Resources

($ 000)

	Budget Appro-priation	Other Domestic Sources	Ext. Assist-ance	TOTAL	
				$000	%
Agriculture	4,635	1,722	2,676	9,033	10.0
Transport	6,179	960	22,945	30,084	33.4
Communications	1,011	110	310	1,431	1.6
Public Utilities	2,228	2,250	19,380	23,858	26.5
Natural Resources	2.546 ~~2,356~~	-	4.968 ~~4,903~~	7.514 ~~7,259~~	8.1
Education	5,950	-	3,157	9,107	10.1
Public Health	4,531	-	4,427	8,958	10.0
Other Services	200	-	100	300	.3
Total Program	27.280 ~~27,090~~	5,042	57.958 ~~57,898~~	90.280 90,030	100.0

3.6 A breakdown of total proposed development expenditures into capital and non-capital is given in table 3:

TABLE 3

Capital and Non-Capital Expenditures 1967-1970

($000,000)

	1967	1968	1969	1970
Capital	20.2	17.5	16.8	18.2
Non-Capital	1.7	4.0 ~~3.8~~	5.5	6.4
Total Program	21.9	21.5	22.3	24.6

3.7 Compared with 1965 and 1966 the proposed Development Program implies a decline in public investment. The average yearly public investment in the period 1960-1964 however, was about $14-15 million which is below the average level implied in the Development Program.

3.8 The present plan will thus maintain the high level of public investment experienced over the past 6-7 years on average but public capital investment will decline slightly over the plan period. At the same time non-capital expenditures will increase. The reason for this is that the high rate of growth in capital facilities over the last few years has not been accompanied by an appropriate growth in provisions for operational cost, with the result that many of these facilities have been at less than optimum efficiency; that is, schools with insufficient furniture and teaching materials, hospitals with inadequate instruments and medical supplies, road maintenance equipment without sufficient gasoline and spare parts etc. A considerable increase in support cost is therefore considered a high priority in the present plan period rather than an accelerated accumulation of capital facilities. It is possible in this plan period to increase support costs to a level sufficient to make existing capital facilities reasonably productive and at the same time maintain a high level of public investment for the period as a whole.

3.9 Some major components of the public investment program compared with estimates for the period 1964-66, are shown in table 4.

TABLE 4

Public Investment 1964 - 1970

($000,000)

	1964	1965	1966	1967	1968	1969	1970
School Construction	1.9	1.8	1.5	1.8	.4	.8	1.2
Road Construction	2.5	5.8	6.3	4.4	3.7	2.7	2.7
Health Facilities	.2	1.0	2.5	3.8	.9	-	-
Public Utilities	1.4	13.3	2 12.7	8.2	8.7	2.8	3.8
Agriculture	.1	-	-	.4	1.0	2.2	3.1
Other	2.4	.5	-	1.0	2.8	8.3	7.4
	8.5	22.4	23.5	~~20.2~~ 19.6	17.5	16.8	18.2

3.10 Table 4 shows the general approach taken in the present Plan, as described above. The years prior to the beginning of the plan period show relatively higher investment in education, public works (roads) and health. The plan program is much more modest with respect to capital investment and emphasizes support costs in these areas. It also shows considerable capital expenditures in agriculture over the plan period. The figures for other public investment in 1969 and 1970 cover ports, airports and the Southeast area development in general.

APPENDIX I

The Development Program 1967 - 1970

Proposed Budget Appropriations

($000)

	1967*	1968	1969	1970
1. Agriculture & Forestry				
(1) Existing Programs	-	-	-	-
(2) New Programs	290	999)	1406)	1940)
(3) Additional Support Cost		)	)	}
(2)+(3) Subtotal	290	999	1406	1940
2. Transport				
(1) Existing Programs	743	251	251	251
(2) New Programs	308	980	1675	1720
(3) Additional Support Cost	-	-	-	-
(2)+(3) Subtotal	308	980	1675	1720
3. Communications				
(1) Existing Programs	-	-	-	-
(2) New Programs	34	58	43	36
(3) Additional Support Cost	-	270	280	290
(2)+(3) Subtotal	34	328	323	326
4. Public Utilities				
(1) Existing Programs	776	820	180	-
(2) New Programs	-	35	110	307
(3) Additional Support Costs	-	-	-	-
(2)+(3) Subtotal	-	35	110	307
5. Natural Resources				
(1) Existing Programs	112	171	155	160
(2) New Programs	30	30	270	295
(3) Additional Support Costs	-	382	338	413
(2)+(3) Subtotal	30	412	608	708
6. Education				
(1) Existing Programs	486	294	294	294
(2) New Programs	135	300	450	600
(3) Additional Support Cost	-	429	999	1669
(2)+(3) Subtotal	135	729	1449	2269
7. Public Health Service				
(1) Existing Programs	559	642	860	977
(2) New Programs	17	69	84	107
(3) Additional Support Cost	-	213	504	499
(2)+(3) Subtotal	17	282	588	606
8. Other Services				
(1) Existing Programs	-	-	-	-
(2) New Programs	10	50	60	80
(3) Additional Support Costs	-	-	-	-
(2)+(3) Subtotal	10	50	60	80
Total (1)	2676	2178	1740	1682
(2) + (3)	824	3815	6219	7956

---

* Budget Figures.

Chapter 4

FINANCING THE PLAN

4.1 As a first step in estimating resources available for development over the plan period expected revenues from sources existing at the beginning of the plan period have been projected. It takes into account existing trends in revenues as well as known changes in fiscal policy and tax administration expected to take place during this period. This projection is summarized in Table I below.

TABLE 1

General Revenues 1967 - 1970
($000,000)

	1967	1968	1969	1970
Direct taxes	23.1	23.8	24.8	25.0
Rubber Concessions	4.4	4.3	4.3	4.3
Iron Ore Concessions	8.9	9.3	9.8	10.0
Other[1]	9.8	10.2	10.7	11.3
Customs	19.1	20.5	22.0	23.5
Other Indirect Taxes	2.0	2.1	2.2	2.4
Vessel Taxes	2.5	2.6	2.8	2.9
Other Revenues	1.2	1.2	1.2	1.2
TOTAL	47.9	50.2	53.0	55.6

[1] Includes the Austerity Tax.

4.2 Although it is difficult to establish fixed relationships, there can be no doubt that revenues depend to a very large extent on two factors: (1) world market prices for rubber and iron ore and (2) the level of income in the economy. The picture could of course change drastically by the entrance of new large enterprises, but this has not been assumed in the forecast.

4.3 The basic assumption on which the forecast of receipts from concessions is based is a slight increase in output of rubber and iron ore, balanced by a slight decrease in export prices. The forecast of customs revenues is based on the assumption of rising economic activity. If the plan is implemented the result will be a considerable increase in public spending and a speeding up of economic activity and growth in income. It is assumed that the annual growth rate will be about 6%. It is furthermore assumed that improvements in customs administration will continue and increase revenues by more than can be expected alone from increased economic activity. It should be emphasized that these assumptions will be realized only if the plan is implemented.

annual re
(growth

4.4 The main assumption underlying the projections of other revenues is the expected growth in income, but taxes not based on income (such as per capita taxes) are assumed constant. The forecast of vessel revenues is based on a special study.

4.5 It can be expected that the considerable improvement in administration of internal revenues will also be further strengthened during the plan period. Improvements in revenue collections with promising results are already under way or are part of the plan with respect to income taxes and real estate taxes.

4.6 The forecast based on the tax structure and schedules in existence by the end of 1966, has been adjusted to account for the effect of revenue measures included in the Austerity Plan. The most important of these is the Austerity Tax, which is estimated to yield $1.4 million in 1967. This figure has then been increased to reflect the anticipated growth in total payroll in subsequent years. Adjustments and increases in Motor Vehicle Fees and Registration Fees included in the Austerity Plan, are estimated to yield some $120,000 annually.

4.7 The Austerity Plan calls for an adjustment of the tariff to reduce the rate on certain commodities for which the rate was increased unintentionally because of reclassification in the new tariff schedule. This may have an adverse effect on revenues, but new efforts to control duty free privileges also included in the Austerity Plan will presumably more than compensate for this. Better control of duty free imports combined with administrative improvements already under way, are likely to increase customer revenues substantially over the plan period. It is assumed that the result from improved administration and control will yield $0.3 million in 1967 increasing to $1.0 million in 1970 over and above, what can be expected from increase in economic activity.

4.8 To make a forecast of Government resources available for development over the plan period, it is necessary not only to project revenues but also to determine the extent to which, claims against these revenues, both non-developmental and developmental, already exist. Certain expenditure items such as debt service are fixed according to agreements, and payments over the plan period are thus known. Other items are more variable and influenced by current policy decisions and hence less predictable, the most difficult being current expenditures.

4.9 Total committed expenditures have been broken down as shown in Table 2.

Table 2

Government "Committed" Expenditures 1964-1970
($000,000)

	1964	1965	1966[1]	1967[2]	1968	1969	1970
Current Expenditures	30.1	32.1	35.4	35.5	37.4	38.4	39.4
Existing Development Programs[3]	.4	2.3	2.9	3.5[5]	2.2	1.7	1.7
Debt Service[4]	11.3	9.9	9.8	9.1	10.9	14.2 ~~15.9~~	13.4 ~~15.5~~
Transfers	.6	1.0	1.4	1.0	1.0	1.0	1.0
Accounts Payable	-	-	.5	.5	.5	.5	.5
TOTAL	42.4	45.3	49.8 49.5	49.6 ~~50.4~~	52.0	55.8 ~~57.5~~	56.0 ~~58.1~~

---

[1] Estimate

[2] Budget Figures

[3] Line (2) from Table 1, Chapter 3.

[4] Includes the special debt service account with an estimate of $700,000 for 1967 and $800,000 for 1968. It is assumed that these amounts will be used to meet debt service requirements in 1969 and 1970, respectively.

[5] Includes $0.8 million for new programs starting in 1967.

4.10 "Debt Service" includes interest payments as well as repayments of principal. These payments are fixed and the existing debt service schedule through 1977 is shown in Appendix I. In the recent past "Transfers" have consisted of such items as payments to the Liberian Development Corporation, the African Development Bank and Claims (payments on debt incurred by the Government for purchases of land, etc.). The transfer item is less predictable than debt service; however, the $1 million provided in the 1967 budget is carried for each year of the plan period. The high figure in 1966 is due to a non-recurring capital subscription of $450,000 to African Development Bank. "Accounts Payable" are payments on outstanding unpaid bills. The total of outstanding bills has been estimated at $3 million for payment of which $500,000 is provided in the 1967 budget. This figure is carried for the rest of the plan period. "Existing Development Programs" represent Government contributions to implementing such programs and provisions for operating costs when construction is completed. Since these are high priority projects already underway at the beginning of the plan period, necessary funds should be provided for them before ew projects are undertaken. (For a complete list of these projects ee Appendix II).

.11 The difference between total expenditures and the items decribed above is "current expanditures". While it is true that alost all Government activities contribute to the development of the untry in the long run, some activities are more directly related to growth and development than others. It is a key element in the planning process to try to identify and separate these "development activities" and to increase their share of total Government expenditures. This does not necessarily mean that other activities, referred to as "non-development activities" will have to be cut back, but it does mean a much more rapid increase in the former than in the latter. For the purpose of forecasting resources available for new spending it is assumed that policies necessary to restrict the increase in "non-development expenditures" are adopted and that this will keep the increase in them to not more than $1 million annually. This amount is substantially less than the actual increase in the last few years. Part of the increase between 1964 and 1965, however, can be explained by an extraordinary increase in personnel costs within the Department of Education and for 1966 about 2/3 of the increase was due to payments to the African Development Bank, gold purchases, cost of coinage, loss on silver, and to increase in rent payments.

4.17 In order to keep increases in non-development expenditures to a minimum, it is recommended that every effort be made to: (a) avoid the creation of new positions, (b) fill existing vacancies or grant salary increases only in those cases necessary for increased efficiency or the achievement of planned objectives, and (c) achieve savings in foreign travel and subsistance allowances, Government rent, and diplomatic representation abroad, where these will not adversely affect efficiency or the national interest. If the policy of restricting growth in personnel costs in general is accepted, there will be room for small increases in support costs, which will correct the present imbalance between the two budgetary categories and greatly improve efficiency.

4.18 Further improvements in efficiency can be obtained if new administrative activities required by the Development Program are effected by transfer of personnel and support costs from lower priority activities within the various departments and agencies.

4.19 A continued and improved expenditure discipline over the plan period is absolutely necessary. Government resources available for new development spending will depend not only on the future pattern of overall expenditures, but also on our ability to obtain external assistance. The fact that almost all foreign aid projects require local counterpart funds means that the volume of foreign lending itself depends upon our ability to provide local resources for counterpart contributions and support costs. The probable magnitude of local resources over the plan period is therefore the key determinant of the size of the Development Program. Consolidation of sector plans makes it clear that any substantial development effort will require more local funds than can be expected from existing sources, even under the most optimistic assumptions.

4.20 Table 2 shows a projection of available resources over the plan period.

Table 2

Available Government Resources 1967 - 1970
($000,000)

	1967[1]	1968	1969	1970
General Revenues	47.9	50.2	53.0	55.6
Committed Expenditures	50.4	52.9	57.5	58.1
1. Current Budget Surplus	-2.5	-2.7	-4.5	-2.5
2. IMF Stand-by PL 480 & U.S. Commodity Loans	2.5	2.5	2.5	2.5
3. Semi-public and Public Corporations	-	.7	2.5	2.6
4. Total Resources Available for new development programs [2]	-	.5	.5	2.6

[1] Budget figures.

---

[2] Total of these are shown on line (6), Table 1, Chapter 3.

4.21 Surplus on the current budget is estimated from the revenue and expenditure forecasts above. Although IMF stand-by as well as PL 480 and commodity loans may be difficult to secure at the levels presently assumed, these levels are necessary to the success of the program. A persuasive case can be made for them if every effort is made to assure that our investment program is sound, our tax effort substantial, and our expenditure discipline continually improving. The major semi-public and public corporations are Public Utility Authorities (PUA), the Free Port of Monrovia and the Liberian Produce Marketing Corporation (LPMC).

An estimate of the debit and credit items of the clearing account between Government and the PUA has been made, giving a surplus of $4.9 million over the plan period in the Government's favor. Payments from the Free Port of Monrovia are estimated at $0.9 million over the four-year period based on the assumption that the port dues are revised along the lines proposed by the Department of Planning and Economic Affairs. With respect to LPMC it is proposed, as part of the agricultural plan, that certain agricultural development projects be undertaken by that Corporation and financed out of retained earnings. Also PUA and the Free Port of Monrovia, will finance part of the development program above the estimated payments to the Government.

4.22 A comparison of total available resources, as shown in Table 2, with the total of proposed new development expenditures (see Table 1, Chapter 3) shows an estimated deficit on the budget in each of the years 1968 - 1970. Additional resources to cover the deficits will thus be necessary to implement the plan. Accordingly, in addition to the revenue increases already taken into account in our projections, several other possibilities are discussed below.

4.23 A forecast of general revenues over the plan period must take into account not only existing trends in revenues but also known or anticipated changes in fiscal policy and tax administration during this period. Since serious efforts in development planning will require some additional revenues, tax policy and tax administration in general should be geared to the task of development. Although the following is not intended to be a review of the entire tax system, in the context of development it points out certain changes in the system that would be conducive to economic development in general and generate additional revenues without adverse effects on the economy.

4.24 The most important task during this plan period should be the strengthening of the administration of existing taxes rather than the introduction of new taxes. We may possibly be approaching the limits of domestic taxable capacity, at least on low incomes and small businesses. This possibility is suggested by evidence that some new taxes have caused declines in the revenues generated by closely associated taxes, such as the education levy and the hut tax. Any changes in the existing tax structure should achieve a simplification of the whole structure and reduce the number of separate taxes. The various taxes collected on a per capita basis, for instance, could be consolidated into one general per capita tax, with a resulting simplification of administration. Since this is a long run process, the resulting additional revenues over the plan period will not be sufficient, and new taxes and/or changes in schedules and rates of existing taxes will be necessary. The following paragraphs discuss both the proposed administrative changes and additional tax proposals.

4.25 There seems to be scope for increased revenues through a general revision of the income tax along the following lines:

a) reduction of the statutory exemption on individual income from the present $1,500 to $1,000 or even lower. This would mean a broadening of the tax base. There are large number of persons earning close to $1,500 annually who, under the present law, do not pay income tax.

b) revision of the rates so as to increase rates on middle and upper income brackets, while maintaining the rates on lower brackets. Since the total tax burden is relatively high on the lower brackets because of the per capita taxes, this would increase equity.

c) income tax schedule could be revised and structured in such a way that the increase in tax burden on Liberian citizens would be equal to the Austerity Tax. A replacement of the Austerity Tax with a revised general income tax would have at least two advantages: first it would simplify administration and secondly, the increase in tax burden would fall equally on Liberian citizens and expatriate residents.

d) removal of the allowed statutory exemption on partnerships as entities. Since each individual partner enjoys a personal exemption, the present law permits a double exemption.

e) revision of the rates on lower brackets in the corporate income tax schedule. There is also scope for considerable increase in revenues by further improvements in administration.

f) provision for reporting information of payments at source and increased appropriations for accounting, processing and especially auditing tax returns.

g) imposition of an income tax on income earned by non-resident aliens from Liberian sources as is the practice in almost all countries.

4.25 In the area of customs duties the following opportunities for increasing revenues have been identified:

a) The current tariff has been subject to numerous modifications and although a general increase in rates cannot be recommended, several improvements consistent with development objectives could be made. First, it is common to find rates on finished products which are lower than those applied to raw or semi-manufactured materials used in making such finished products. This is a disincentive to greater industrial activity in Liberia. Second, rates on some luxuries and non-essentials are still comparatively low. On the other hand rates should be lowered on some common wage-bill goods with a resulting decline in prices on these commodities.

b) Customs exemptions should be rigidly controlled. In concession agreements, exemptions should be clearly defined to include only items that are directly necessary for production. This should apply also to Government contractors. Duty free privileges to foreign embassies, missions, and international aid organizations, etc. might be reconsidered, with a view to reducing exemptions to a reasonable level.

c) Increased support of the Bureau of Customs, in the form of increased appropriation for training and for higher salaries. The need for more qualified personnel is the most important single problem and an expansion of the training program should be considered. Also, selective increases in salaries will be necessary to attract candidates with higher educational levels.

4.10 As regards other revenues, the following proposals are made:

a) Motor Vehicle Tax
The number of gratis licenses should be reduced and license fees revised.

b) Real Estate Taxes
Every effort should be made to enforce collection of the existing real estate tax. To achieve this goal it is essential to identify the ownership of all property. In this connection, the cadastral survey described in Chapter 9 will play a key role in the proper description of property boundary lines within urban areas.

c) Public Service and Public Corporation Revenues
Studies identifying increased revenue possibilities from public services and corporation should be implemented.

d) Concession Revenue
The special tax agreements with the concessions should be reviewed to determine the extent to which Government revenues from this source could be increased without violating the Open Door Policy or adversely affecting the relative attractiveness of investment incentives.

e) Investment Incentives
Double Taxation agreements should be negotiated with all countries whose nationals have made substantial investments in Liberia, and proposed investment incentives should be screened to limit the granting of tax holidays to those cases that do not amount to a net increase in the total taxes to be paid by the investor in both Liberia and his home country.

4.28 In view of the fact that the deficit will increase substantially in 1969 and that this is due to considerable increase in debt service, it seems legitimate to investigate the possibility of a partial rescheduling of the public debt. It is suggested that the reduction in debt service to be sought through such a rescheduling be approximately $3 million in each of 1969 and 1970. This would reduce the total deficit over the plan period to $8.5 million or about $3 million per year on average to be covered by changes in fiscal policy or other measures.

Table 4

Estimated Deficit and New Resources 1968-1970
($000,000)

	1968	1969	1970	Total
New Programs 1/	3.8	6.3	8.1	18.1
Available Resources	.5	.5	2.6	3.6
Deficit	3.3	5.8	5.4	14.5
To be covered by:				
(1) Temporary Debt Service Relief	-	3.0	3.0	6.0
(2) Individual Income Tax	.6	.6	.6	1.8
(3) Taxation of Non-Residents	.3	.3	.3	.9
(4) Corporate Income Tax	.2	.2	.2	.6
(5) Income Tax on Partnerships	.1	.1	.1	.3
(6) Other	2.1	1.6	1.2	4.9
Total	3.3	5.8	5.4	14.5

1/ Line 6, Table 1, Chapter 3.

4.29 Without a rescheduling of the debt it will be difficult to make investments which will increase our long-run capacity to meet our obligations in the future. The present debt service schedule will place an intolerable deflationary burden on the economy especially if we cannot mount an off-setting level of expenditure of the size proposed in the Plan. This schedule was predicated upon price assumptions for rubber and iron ore which were not realized in the subsequent years and we have, in spite of this, maintained a good payments record to date. Also our record on raising increasing amounts of resources (the "self-help criteria") is good.

4.30 At present it is difficult to estimate precisely the possible increase in resources from the various measures proposed. For some measures, however, a rough estimate is possible however, and these are presented in Table 3.

4.31 It is noted that the requirements under the heading "Other" declines over the Plan period. If recurring sources of revenue can be found in this category sufficient to close the gap in 1968, this level of revenues would then permit either some reduction in the necessary rescheduling of debt service in 1969 and 1970 or reduced reliance on IMF facilities. This would further enhance the country's international credit standing.

4.32 A major part of our development, up to the present has been financed by foreign assistance. Part of this assistance has consisted of contributions to the finance of specific construction projects the remainder has consisted of technical assistance and program aid. The continuation of such assistance is essential to the implementation of the Plan. In addition to a continuation of existing projects, the Plan calls for several new development programs, which will be possible only if foreign sources can be found as part of the total finance. Description of these programs together with total estimated cost and the most likely source of external finance are described below in the chapters on each sector.

4.33 Based on past experience with different types of projects and different donor countries, the distribution of total finance between Government, other domestic sources and external aid has been estimated. A summary of the result is shown in Table 1 of Chapter 3. The Development Program proposed in the Plan contains a number of elements which by their nature are not suitable for foreign aid. However, the program is large enough to attract a substantial amount of foreign aid, which, although possibly lower than over the last two years, for the plan period as a whole, is larger than the total for any previous four-year period.

4.34 Table 4 shows the external aid component over the plan period for existing projects as well as its estimated component in new development programs.

Table 5

External Assistance for Development Program 1967-1970
($000,000)

	1964	1965	1966	1967	1968	1969	1970
Existing Development Projects	3.6	18.7	20.6	15.1	9.7	1.6	.5
New Development Programs	-	-	-	2.3	4.4	11.2	13.0
Total	3.6	18.7	20.6	17.4	14.1	12.8	13.5

4.35 It must be borne in mind, however, that only a minor part of the anticipated external aid has yet been obtained and although the estimates are based on present policies in the donor countries, it may very well be increasingly difficult to obtain foreign aid in the future, since indications are that many sources are tightening on their development assistance.

Estimated External Development Assistance Requirements
($m) 1967 — 1970

					Total
New development Programs	4.9	9.6	19.0	22.4	55.1
Existing develop. Programs	17.8	11.9	3.3	2.2	35.2
Non development program	46.1	49.8	54.1	54.3	204.3
Total Plan Expenditure	68.0	71.3	76.4	78.9	294.6
Total Domestic Resource	48.9	55.1	60.2	68.1	227.3
Total External Development Assistance	19.1	16.2	16.2	15.8	67.3

Appendix I

Projection of Government Revenues
1967-1970
($000,000)

Tax Code		1965 Actual	1966 Actual	1967 -	1968 Forecast	1969 -	1970 -
	1. Direct Taxes on Individuals						
113	Income Tax	1.32	1 36	1.58	1 67	1 76	1.86
131	Lease Tax	.38	.37	.42	45	.48	.51
451/56	Hut/Per Capita Taxes	.73 }	2.08	2.00	2.00	2 00	2 00
457	Education Levy	1.31 }					
411/13	Real Estate Taxes	26	.27	.60	72	84	.96
-	Austerity Tax	-	-	1.40	1.48	1 57	1.66
	Subtotal	4.00	4 08	5.90	6 32	6 65	6.99
	2. Direct Taxes on Corps.						
ex 211	Rubber Concessions	4.26	4.26	4.26	4.26	4 26	4.26
ex 121	Iron Ore Concessions	[illegible]	9.18	8.85	9.15	9.65	9.85
ex 111/12	Other Corporations	[illegible]	1.22	1.80	1.91	2.02	2.14
42/425	General Licenses Taxes	[illegible]	1.13	1.39	1.47	1.56	1.65
(1)	Export Duties, & Stumpage Taxes	.65	.85	.66	.68	.70	.72
	Subtotal	15 70	16.64	16.96	17 47	18.19	18.62
(2)	**3. Customs Revenues 2/**	16.43	18.27	18.99	20.49	21.96	23.51
(3)	**4. Other Indirect Taxes**	1.53	1.75	2.00	2.12	2 24	2.36
(4)	**5. Public Service Revenues**	.65	.74	.69	.71	73	.75
470	**6. Vessel Revenues**	3.62	2.58	2.53	2.65	2 77	2.89
(5)	**7. Miscellaneous Non-Tax Revenues**	.47	1.80 1/	.47	47	47	.47
	Subtotal (497)	6.27	6.87 1/	5.69	5 95	6 21	6.47
	Grand Total	42.45	45.86 1/	47.65	50.23	53.01	55.59

(1) 132, 215,251,494
(2) 211/14,218/22,255/59
(3) 440,430,485
(4) 330,252/54,498
(5) 481/84, 491/93, 495, 499

1/ Includes coinage of $1 50 million
2/ Assumes further improvements in customs administration.

Appendix II

DEBT SERVICE FORECAST 1966-1977
(in million of dollars)

		Principal Outstanding at end 1965 1/	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	Principal Payable after 1977
Eximbank	P	29.3	-	-	-	3.5	3.5	3.5	3.4	3.4	3.1	2.7	2.5	2.2	1.5
	I		1.5	1.6	1.6	1.6	1.4	1.2	1.0	0.8	0.6	0.5	0.3	0.2	
USAID	P	49.5	-	-	--	-	-	-	-	-	1.0	1.3	1.3	1.6	44.3
	I		0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	
Other Official 2/	P	39.8	0.5	0.5	1.1	1.2	1.4	1.6	2.0	2.1	2.1	2.2	2.1	2.2	20.8
	I		0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.5	0.4	
Commercial banks	P	11.3	0.1	-	0.9	1.8	1.8	1.9	1.0	1.4	2.4	-	-	-	-
	I		0.6	0.6	0.6	0.5	0.4	0.4	0.2	0.2	0.1	-	-	-	
Other private	P	43.0	2.7	2.4	2.9	4.2	4.3	3.8	3.4	3.2	4.0	4.1	4.1	3.7	0.2
	I		2.8	2.6	2.6	2.3	2.1	1.9	1.7	1.5	1.3	0.8	0.6	0.2	
TOTALS	P	173.0	3.4	2.9	4.9	10.8	11.0	10.8	9.8	10.1	12.6	10.3	10.0	9.7	66.8
	I		5.8	5.9	5.8	5.5	5.0	4.6	4.0	3.5	3.0	2.3	1.8	1.1	
	P + I		9.2	8.8	10.7	16.3	16.0	15.4	13.8	13.6	15.6	12.6	11.8	10.8	

NOTE: Includes repayment on all debts outstanding or committed as of end 1965. Figures after 1970 approximate. $250.00 in bank charges are estimated for each year.

1/ Includes undisbursed portions of some loans.

2/ Excludes repayments to IMF.

Source: 1966-70 Treasury schedules. 1971 - SM/64/20, Table 9, adj. for new loans since 1963.

(F.C. March 1966)

Appendix III

Existing Development Programmes 1966 - 1970

($ 000)

	1966 Estimate		1967 Budget		1968		1969 Forecast		1970	
	GOL	Aid	GOL	Aid	GOL	Aid	GOL	Aid	GOL	Aid
Transport										
Kle-Pujahun Road	376	699)		724	32	-	32	-	32	-
Monrovia-Robertsfield	446	829)	543		19	-	19	-	19	-
Harper Street Paving	200	-	200	-	200	-	200	-	200	-
German Roads	-	4200	-	-	-	-	-	-	-	-
Sub-total	1022	5728	743	724	251	-	251	-	251	-
Public Utilities										
Mt. Coffee	1212	10900	76	-	-	-	-	-	-	-
Water System-Monrovia	150	400	400	4000	400	2750	-	-	-	-
Sewerage System-Monrovia	-	-	300	2750	420	4200	180	1000	-	-
Sub-total	1362	11300	776	6750	820	6950	180	1000	-	-
Natural Resources										
Geological Survey	73	-	112	531	171	555	155	573	160	544
Education										
Rural Teacher Training	-	-	50	-	50	-	50	-	50	-
Jr. -Sr. High School)			205	940	133	-	133	-	133	-
Bassa Elementary School)	251	1227	13	85	37	-	37	-	37	-
Jamaica Road School)			218	-	37	-	37	-	37	-
Newport Street School	-	-	-	332	37	-	37	-	37	-
Sub-total	251	1227	486	1357	294	-	294	-	294	-
Health										
Medical Center	200	2276	497	3283	493	694	640	-	660	-
Turino Medical School	-	-	19	-	101	-	170	-	263	-
Basic Health Services	-	24	43	-	48	-	50	-	54	-
Sub-total	200	2300	559	3283	642	694	860	-	977	-
GRAND TOTAL	2908	20555	2676	12645	2173	8199	1740	1573	1682	544

1/ This table does not inlude programs started in 1967

CHAPTER 5

AGRICULTURE AND FORESTRY

5.1 Although almost 80 percent of the population of working age is engaged in agriculture and forestry, this sector in 1964 accounted for only $38 million or 18 percent of gross domestic product of which rubber alone contributed $25 million or 70 percent.

5.2 One fundamental measure proposed in this Plan for the development of agriculture and forestry calls for increased budgetary support of the Department of Agriculture. The budget of the Department of Agriculture, unlike that of many other Departments, has scarcely increased in recent years. In 1966 out of total revenues of $45.9 million the Department received an appropriation of about $1 million.

5.3 Another measure calls for enlisting greater participation of highly productive and successful concessions and Liberian farmers in the implementation of agricultural development programs.

GENERAL OBJECTIVES

5.4 The specific programs of this Plan are designed to contribute to the following long-range objectives in the fields of agriculture and forestry:

a) To encourage the introduction of new export cash crops to diversify agricultural exports and increase income and employment opportunities for Liberians.

b) To reduce the impact on Liberian farmers of price declines for their export products in international markets through domestic policies and programs designed to promote increasing quality and productivity.

c) To stimulate local production of basic dietary staples in keeping with effective demand for such products.

d) To promote local processing of the products of our fields and forests.

e) To foster the production of local raw materials necessary for industrialization.

PLAN GOALS

5.5 Consistent with resources available, the Plan calls for efforts to be focussed in a relatively limited number of areas. Over the Plan Period, personnel and resources of the Department of Agriculture will be concentrated accordingly. Programs for achieving the Plan goals and provisions for their financing are described later in this Chapter.

5.6 With limited exceptions activities will be focused generally on the following crops or areas:

Rice

Major effort will be made to encourage local production of rice to substitute rapidly rising rice imports. Improving production and processing techniques, both in the case of swamp and upland rice, and insuring a market attractive to local farmers will form the basis of this program.

[illegible] [illegible]

Tree Crops

Attention will be concentrated on the following tree crops:

Rubber: Incentives will be provided to encourage Liberian rubber farmers to replace uneconomic low yield trees with new improved high yield strains. Arrangements will be made

what is the economic justification

for small inefficient farmers to cooperate in joint management, processing and transport arrangements.

High Yield Oil Palm - A minimum of two additional 7,500 acre core plantation projects each including a modern oil mill, will be established. The Oil Palm Advisory Service will step-up its activities including the sale of high yield palm seedlings to private farmers at cost. Technical advice on planting and processing will be widely offered. Small oil mills will be established in areas having extensive wild palm stands and/or adequate number of high yield palm trees.

What is the justification.

Coffee - Sales of Liberian coffee to signatories of the International Coffee Agreement are now limited to 1,100 tons. An increase in this quota will be sought to avoid hardship on a predominantly small holder cash crop. Small farmers will be encouraged to replace sub-standard trees with assistance of personnel of the Liberian Produce Marketing Corporation. A demonstration plantation and nursery for the distribution of seedlings will be established.

Copra - Efforts will be made to introduce high yield coconuts in appropriate areas. The feasibility of processing copra from existing groves will be studied in conjunction with the introduction of plantings of high yield coconuts as a new cash crop.

Forestry

The increased utilization of forest resources consistent with scientific management practices will be encouraged. Main transportation infrastructure, including roads, rail and improved port facilities will be geared to support this effort. Special effort will be made to attract investment in the processing of Liberian forest products, particularly plywood, chip board and core veneer.

The Bureau of Forestry of the Department of Agriculture will focus its efforts on the following activities: supervision of logging operations to increase public revenue, protection of national forests from encroachment by slash and burn farming and development of a forestry concession policy designed to advance economic utilization.

Animal Husbandry

Domestic production of meat will be stimulated by programs designed to introduce better breeding animals and improve husbandry methods for cattle and swine among local farmers.

Tobacco

The production of wrapper tobacco, introduced recently as the result of initiative and research carried on by the Department of Agriculture, is increasing. Two private companies are now exporting high quality wrapper. In the light of progress in the development of this new cash crop efforts will be made to interest and support additional private investment in this crop.

Fruits and Vegetables

Fruit - Further expansion of citrus production and pineapples will be encouraged consistent with identification of specific export and domestic markets.

Vegetables - The production of vegetables for the local market has been substantially increased under the stimulus of Operation Production. Emphasis during the Plan will focus on improved transportation and marketing arrangements oriented toward major centers of population. Removal of marketing bottlenecks will result both in lower prices to consumers and greater incentive to vegetable production.

5.7 Within the context of the major priorities listed above, provision will be made for appropriate supporting activities including credit, marketing, the support of cooperatives or other producers' associations and research. Extension services will be focused exclusively on top priority programs. Arrangements will be made to design and finance an agricultural land use survey.

Planned Programs

5.8 During the Plan period, attention will be focussed on the following:

Rice: Rice imports presently total 40 thousand short tons annually and are increasing about 5 thousand tons per year. Liberia spent $6 million on rice imports in 1966.

The average farmer realizes a yield of some 500 pounds of clean rice from an acre of upland cultivation. This is accomplished by using traditionally unscientific techniques. At prices ranging from 4 to 7 cents per pound, his gross income per acre is $20-$35 which is a weak incentive to greater production.

Low productivity is the result of a number of factors including; mainly, use of low yielding varieties; damage by insects, birds and animals; inefficient harvesting and processing; and in some cases use of depleted or inappropriate soils. Solutions to some of these problems have already been developed.

5.9 The Department of Agriculture will spearhead efforts on two main fronts to stimulate increasing rice production:

a) Public Program - Undertake the introduction of scientific swamp rice cultivation in selected zones. This cultivation, already successfully tested, has resulted in yields of 2,500 lbs. of clean rice per acre. High yield varieties developed with the assistance of experts from the United Nations and the Republic of China, have already been selected and are available for use in this program.

The program will be initiated in carefully selected zones chosen for suitability of swamps and receptivity of local farmers to innovation. The Department of Agriculture will facilitate the initial preparation of swamps by local farmers through the use of mechanical equipment. Each zone will have a trained rice extension staff working directly with the interested farmers. During the plan period, zones will be established in Nimba, Lofa, Bong and Grand Gedeh counties.

b) Private Activity - At the request of the Department of Agriculture the [illegible] companies operating in the country have agreed to determine the technical and economic feasibility of large scale mechanized upland rice production. In addition, USAID has agreed to provide a special investment guarantee for a multi-purpose project including rice, cattle and soy bean which will be carried out by the Liberian Agriculture Co., a subsidiary of UNIROYAL. A Liberian company, L.I.D.C.O., is also committed to industrialized rice production.

5.10 If results of these pilot projects are favorable, Government will encourage private domestic and foreign capital to contribute to national self-sufficiency in rice by commercial upland rice production, complementary to the swamp rice program. These projects will also provide improved varieties of upland rice and methods of cultivation, suggested fertilizer applications, disease control measures, etc. This information will be channelled to farmers through the rice zones program.

5.11 Rubber - The problems confronting Liberia's major agricultural export commodity may be summarized as follows: declining world rubber prices and about one fifth of the 140,000 acres owned by Liberian growers consisting of old, low-yielding rubber trees which must be replanted to remain internationally competitive. Poor management practices reduce further the productivity of this important local industry. In contrast, most foreign concessions and leading Liberian planters have consistently increased their productivity through replanting, the introduction of labor saving techniques and improved handling and processing.

5.12 The Department of Agriculture and the Liberian Rubber Planters Association have decided to seek jointly the solutions to the crisis facing the industry. Working groups composed of industry and government representatives are presently seeking agreement leading to the establishment of a new, permanent, autonomous institution with responsibility for actions on national rubber programs.

5.13 Activities under this program will include technical assistance, management and other training, distribution of high yield scions, etc. Expert help will be drawn from leading rubber estates and concessions and from external sources. A subsidy scheme is necessary to assist local planters to replant using high yield clones. Rubber development fund to finance the operations of the program has been suggested.

5.14 Preliminary estimates (based on replanting 2,500 acres annually, through a $125 per acre subsidy, with related cost of administration, management training and supervision) indicate the cost of the program will be $200 thousand in 1968 reaching $400 thousand by 1970.

5.15 A working group comprising members of the Liberian Rubber Planters Association and Government representatives will present the Association and Government during 1967 with a recommended program including proposals for financing. The target year for establishing the new institution is 1968.

5.16 High Yield Oil Palm - The introduction of high yield oil palm was accomplished by the National Production Council, now incorporated within the Department of Agriculture. This experimental project in Grand Bassa County was the catalyst to the establishment of the first high yield oil palm plantation in the nation. This is a private investment project expanding the initial Government pilot project to a 7,500 acre commercial plantation at an investment of $7 million.

This private plantation, under the terms of its concession agreement, is committed to encouraging Liberian farmers to establish satelite farms through the provision of technical assistance and the distribution of high yield seedlings.

5.17 A second 7,500 acre project is scheduled for Maryland County as a public project. A loan request is now under preparation in cooperation with the International Bank for Reconstruction and Development and the French Institut de Recherches Pour les Huiles et Oleagineur (IRHO), the leading world authority in oil palm research and development. The $7 million IBRD - Maryland County Project is designed to spread this new export crop to the Southeast Region. Consideration is also being given to a third 7,500 acre core project, under international financing, along the new Kle-Pujehun Road.

5.18 The favorable prospect for edible oils in the world market and the increasing demand for oil in the domestic market justifies the expansion of the Oil Palm Advisory Service of the Department of Agriculture which distributes high yield seedlings and advises Liberian farmers in the correct planting and care of high yield palm. Plans are underway to establish hydraulic oil mills with the assistance of the Liberian Produce Marketing Corporation, to process palm fruits from new private Liberian plantations and from wild palms.

Coffee

5.19 The adequate supply of coffee is a necessity for the success of this program. Virtually all western markets are controlled through the International Coffee Agreement and Liberia not being a signatory to this agreement has been assigned a low quota of 1,100 tons annually. Efforts would be made to increase the size of this quota through membership in the Internationl Coffee Agreement in order to avoid hardship to small holders who are predominantly involved in the production of this crop.

5.20 Coffee is the main cash crop of small holder agriculture, centered principally in Loffa County. This crop continues to be economically attractive to small family farms. Existing production and processing techniques can still be improved, thus increasing economic rewards from coffee cultivation. Emphasis during the Plan will be on replanting as well as improved production and processing techniques to be carried out by the Liberian Produce Marketing Corporation. A demonstration estate and 20 village demonstration plots will be established.

5.21 Copra - Reconnaissance surveys suggest that the sandy dune areas of Liberia and other zones inappropriate for high yield oil palm or other cash crops are suitable for coconut production. It is expected to have completed, by mid-plan, a feasibility study of high yield coconut, the result of which, if positive, will serve as the basis for seeking international financing for the introduction of this new cash crop.

5.22 Forestry - To date only modest progress has been made in the exploitation of Liberia's tropical hardwood forests. The national forest inventory recently completed by the Department of Agriculture with the aid of the German Forestry Team, indicates among other facts, that of a total of 8 million acres in forest, only some 1.5 million acres are accessible to existing transport facilities and only 0.6 million acres are under logging operations.

5.23 The great potential of the Liberian forests has yet to be realized. Annual production is 12.5 million board feet, of which 2.8 million board feet are exported as round wood. Government revenue from forest exploitation averages a mere $30 thousand annually. Imports of cheap soft-woods as well as finished and semi-finished wood products is estimated at 8 million board feet.

5.24 The principal barriers to greater activity include: weak links in the national transport network and limited international acceptance of the more common species of Liberian hardwood.

5.25 It is expected that with the completion of the Tchien-Greenville and Tchien-Harper roads, improvements to the Greenville and Harper ports, the opening of the LAMCO railway to commercial traffic will provide sufficient stimulus for commercial production of wood and wood products to increase to 40 million board feet annually by the end of the Plan.

5.26 Animal Husbandry - Protein consumption is low in Liberia. Imports of meat and meat products exceed $2 million annually. Even the single modern slaughter house in the nation processes imported animals. These imports, because of the high prices, are consumed by those in the high income bracket; principally non-Liberians. The protein content of the diet of the majority of the people continues to be low.

5.27 Local farmers have limited herds of cattle, swine and goats which are periodically subject to depletion by diseases. In addition, feed is expensive. Only commercial poultry raising and egg production have made significant progress in recent years. Imported eggs and poultry have declined sharply.

5.28 A program for the stimulation of meat production will be developed. This program will be based on a feasibility study, taking into account the results of the cattle raising experiments to be carried out by the Liberian Agricultural Company (see Rice above). Special attention will be given to the possibility of centering cattle raising activities in the traditional cattle raising zones. A program to this end will be prepared and submitted to Government by mid 1968. External assistance will be sought to aid in the preparation of and implementation of this program. Further efforts will also be made to interest major agricultural companies in cattle raising.

5.29 Fruit and Vegetables - The main bottleneck to increased production of fruit and vegetables is the lack of adequate marketing facilities. With a few exceptions, existing transportation and markets are unable to efficiently handle the production of fruit and vegetables of local farmers. Relief from current marketing problems combined with selective measures to stimulate increased production is a priority activity. Special efforts will be made to interest private investors in the establishment of large scale pineapple cultivation for the export market with a view to providing outlets for small producers. The Liberian Development Corporation and the Liberian Produce Marketing Corporation will cooperate in this effort.

5.30 Improved marketing facilities will be established (see Marketing below). The Department of Agriculture will continue its vegetable seed distribution program giving special emphasis to distribution of known disease resistant varieties.

5.31 Agricultural Credit Corporation - The need for credit in such priority areas as rubber, rice and oil palm is very urgent. The fledgling Agricultural Credit Corporation, originally created as an autonomous body and now incorporated within the Department of Agriculture, has been beset by serious problems. As an autonomous body it had inadequate financing and staff to evaluate loan requests, supervise credit extended and assure collection of loans when due. Although the subsequent use of technical staff of the Department of Agriculture some-what improved the supervision of credit, the corporation continued to operate in difficulty. Loans were unpaid, collection efforts through legal action were ineffective. Concurrently, additional loan capital was not forthcoming nor was adequate provision made for the over-head requirements of this credit institution.

5.32 The pressures of continued financial stringency and past experience suggest that the institution should be reorganized along lines which will ensure effective use of scarce capital. Consolidation with another credit institution could reduce the overhead burden. Technical assistance in this area is available through USAID and the German Government. A commercially sound plan of operations is necessary to support efforts to mobilize local and international capital contributions. It has been estimated that modest support of agriculture and forestry would require loan disbursement of $600 thousand by the end of 1970 in addition to administrative expenses.

5.33 Government will earmark $100 thousand in 1968 and 1969 and $250 thousand in 1970 as a counterpart contribution to the capital fund of a reorganized and reactivated Agricultural Credit Corporation. A detailed plan including required staffing, a proforma budget and plan of operations will be prepared in support of request for external capital assistance. The Department of Agriculture will avail itself of technical assistance from USAID and the German Government in making the plan. The possibilities of consolidation with the Liberian Bank for Industrial Development and Investment will be explored.

5.34 Marketing - Export Production: The internal market for export commodities must, of course, reflect the state of the world market for these products. Within this limit there is a considerable range for public policy designed to aid and encourage local producers to increase productivity and quality and thus improve the state of our export economy.

5.35 The exclusive right to export coffee, cocoa, and palm kernels is granted to the Liberian Produce Marketing Corporation (LPMC). This is a semi-public corporation managed by the East Asiatic Company of Denmark. Distributed profits from LPMC operations are shared by the Government and this firm. The Government has a majority on the Board of the LPMC. In 1966 a profit of $900,000 was realized from the export of the above mentioned commodities, of which $600 thousand was distributed.

5.36 During the Plan the LPMC, under Government's instruction, will prepare a detailed program for the improvement of marketing of export commodities. This will include appropriate projects for: providing incentives to producers meeting established quality standards, the encouragement of cooperative and local farmers associations, official authorization of buying agents under established rules of operation and other measures designed to improve markets of export commodities for local farmers.

5.37 Effort will be extended to seek additional assistance through the United Nations and USAID in the identification of specific export markets for Liberian fruits. A program to stimulate production for identified markets will be developed.

5.38 Local market: production for the domestic market is handicapped by the rudimentary development of adequate wholesaling services able to handle large quantities of fruits, vegetables and other commodities. The limited public market facilities in the population centers are becoming increasignly crowded and this also restricts distribution.

5.39 The Department of Agriculture with the direct support of the Liberian Development Corporation and the LPMC will study the marketing arrangements available to domestic producers of fruits and vegetables. Recommendations to Government will be made for an appropriate program including financing, designed to: improve farm to market transportation, stimulate development of local wholesalers in major markets, provide adequate storage facilities and improve the public market system.

5.40 Agricultural Extension - During the Plan, emphasis will be given to the mobilization of extension staff in support of highest priority agricultural programs. Selected extension staff will be given specialized in-service training at the joint College of Agriculture and Forestry/Department of Agriculture training center. They will be assigned to work in the specific programs for which they have been trained. This in-service training will be supported by external aid already agreed upon and incorporated within the support of the College of Agriculture and Forestry by the United Nations.

5.41 Twenty-Four extension workers from the existing staff will receive specialized training each year and be assigned to a specific agricultural development program.

5.42 Agricultural Research - Extensive research has been carried out at the Department's Research Station at Suakoko. Special efforts will be made to make this information available to farmers through the rice and other agricultural development programs. Experts of the College of Agriculture and Forestry, Research Station staff and private concession technicians will review the research material now available. They will identify specific research projects where additional work is required to support Plan development programs. It is proposed that a Research Board be created, with members from the previously identified agencies in addition to representation from private firms active in agriculture and forestry. This Board would recommend allocations for specific research activities. A research plan in animal husbandry, agronomy and horticulture including detailed project pro-forma budgets will be submitted for consideration of the Research Board in 1968. The program will indicate specific priority activities to be undertaken within the funds earmarked for research in this Plan. Additional research projects will be carried out through external aid and by cooperating private concessions.

5.43 Agricultural Cooperatives - A limited number of farmers' cooperatives are already active in the country. These include a poultry raisers cooperative which is engaged in joint purchase of feed and supplies, a rice growers cooperative at Gbedin, a cooperative operating a mechanized coffee huller and a cocoa grower cooperative which jointly processes and sells the produce of members' farms. The two oldest cooperatives, poultry raisers and rice growers, have both benefitted from Government support and initiative.

5.44 The expansion of the cooperative movement requires special assistance. Guidance is needed in the principles of cooperative organization, management and accounting. A source of credit on reasonable terms would give further impetus to the movement.

5.45 Public policy in support of producer cooperative can take the form of a number of direct and indirect measures, such as, official recognition as authorized buying agents of the Liberian Produce Marketing Corporation.

5.46 The formation of producers cooperatives will be encouraged. A special training program will be established for training cooperative leadership. Priority will be given to cooperatives supporting the major development programs of this Plan.

5.47 Land Use Survey - The continuing expansion of the transport network brings increasing demand for soils, hydrological, meteorological, and other related information. This need is only partially met by the small soils laboratory at the Suakoko Research Station.

5.48 It is proposed that international assistance be sought in the design of a national land use survey. This proposal, on evaluation and acceptance, would be financed mainly through external assistance. Contingent provision has been made in the Plan to cover counterpart expenses required for this project.

GENERAL ADMINISTRATION

5.49 Apart from the development programs described above there are a number of other activities and divisions in the Department of Agriculture for which proper budgetary provisions have to be made.

5.50 These include the Central Office, Home Economics, the Gbedin and Maryland Projects, Operation Production, the Zoological Gardens, Marine Fisheries, Veterinary and Quarantine Services, the Swamp Rice project and the National Production Council.

5.51 It is proposed that the staffing required to bring into operation the programs under this Plan will be part of a gradual reorganization of the Department. The Rubber Advisory Service will be transferred to a proposed autonomous Rubber Development Institute. The present staff of the Agricultural Credit Corporation unit will be absorbed in the planned reorganization which is required to make the Corporation operational.

5.52 Personnel of such units as the Extension Service Home Economics, the Swamp Rice Project, the Maryland Resettlement Project, will gradually be totally absorbed into development programs. When this process has progressed adequately the various activities will be regrouped into a more manageable administrative structure based on programs rather than functions. As other Departmental activities are reduced in favor of development program , the cost of these activities will decline (see Table I).

PLANNED EXPENDITURE ON AGRICULTURE AND FORESTRY

5.53 It is anticipated that expenditure on Agriculture and Forestry will increase substantially over the Plan. This is consistant with the development priority assigned to this Sector. Total planned expenditure from all sources (Government Appropriations, Other Domestic Sources and External Financing) between 1967 and 1970 inclusive will be $11.9 million. Of this total, direct Government Appropriations are estimated at $7.6 million. Every effort will be made to increase external financing from the current estimate of $2.6 million. This figure does not include external aid in the form of technical services.

5.54 It will be noted from Table I that a number of development programs have been given a contingent allocation. In the case of these programs the final determination of feasibility or the decision to proceed is yet to be made. Two key supporting services or functions, credit and marketing, require careful consideration leading to basic policy decisions and implementing measures.

5.55 The Liberian Produce Marketing Corporation is called upon to assume full or partial responsibility for several of these programs. These include: the Oil Palm Advisory Service, Fruits and Vegetables, and joint responsibility in developing specific projects to improve marketing facilities for domestic and export produce.

TABLE I

AGRICULTURE DEVELOPMENT PLAN 1967 - 1970

($ thousands)

	1 9 6 7			1 9 6 8			1 9 6 9			1 9 7 0			
DEVELOPMENT PROGRAMS	Govt. Appro-priation	Other Domes-tic Sourses	Exter-nal Financ-ing	Govt. Appro-pria-tion	Other Domes-tic Sources	Exter-nal Financ-ing	Govt. Appro-pria-tion	Other Domes-tic Sourses	Exter-nal Financ-ing	Govt. Appro-pria-tion	Other Bomes-tic Sources	Exter-nal Financ-ing	Go Ap p
Rice Zones[1/]	280.0			560.0			825.0			1100.0			27
Rubber Development Institute[2/]					200.0			250.0			400.0		
High Yield Oil Palm													
Advisory Service		10.0			22.0			30.0			40.0		
IBRD-Maryland Co. Project	10.0			31.0		125.6	103.0		412.0	122.0		488.0	2
IBRD-Western Project[2/]				10.0			30.0		125.4	100.0		400.0	1
Coffee		100.0			15.0			13.0			17.0		
High Yield Coconut[2/]				10.0									
Forestry				130.0			140.0			150.0			42
Animal Husbandry[2/]				175.0			225.0			275.0			67
Fruit and Vegetables[2/]					150.0			125.0			100.0		
Agricultural Credit Corp.[2/]				100.0		100.0	100.0		250.0	250.0		250.0	4
Marketing[2/]					50.0			100.0	200.0		100.0	200.0	
Agricultural Research				175.0			190.0			200.0			5
Cooperatives[2/]				35.0			50.0			75.0			1
Land Use Survey[2/]				5.0		25.0	50.0		50.0	50.0		50.0	1
SUB-TOTAL	290.0[4/]	110.0		1231.0	437.0	250.6	1713.0	518.0	1037.0	2322.0	657.0	1388.0	554
OTHER DEPARTMENTAL ACTIVITIES[3/]	732.0			500.0			425.0			350.0			200
PUBLIC SECTOR GRAND TOTAL	1022.0	110.0		1731.0	437.0	250.6	2138.0	518.0	1037.0	2672.0	657.0	1388.0	755

NOTES: 1/ Based upon two zones a year. 2/ Contingent provision based on preliminary estimate included in Policy and Planning Com
Agriculture and Forestry, also see Major Program detail on Pages 5 to 19. 3/ Non-Development Activities of the Departmen
emphasized with their respective personnel and support used to further higher priority development programs. 4/ In 1967
palm are official development programs, in subsequent years development priorities will be extended as indicated.

- 1970

	1 9 6 9		1 9 7 0			PLAN TOTAL		
on	Other Domestic Sourses	External Financing	Govt. Appropriation	Other Bomestic Sources	External Financing	Govt. Appropriation	Other Domestic Sources	External Financing
)			1100.0			2765.0		
	250.0			400.0			850.0	
	30.0			40.0			102.0	
0		412.0	122.0		488.0	266.0		1025.6
0		125.4	100.0		400.0	140.0		525.0
	13.0			17.0			145.0	
0			150.0			420.0		
0			275.0			675.0		
	125.0			100.0			375.0	
0		250.0	250.0		250.0	450.0		600.0
	100.0	200.0		100.0	200.0		250.0	300.0
0			200.0			565.0		
0			75.0			160.0		
0		50.0	50.0		50.0	105.0		125.0
.0	518.0	1037.0	2322.0	657.0	1388.0	5546.0	1722.0	2575.6
.0			350.0			2007.0		
.0	518.0	1037.0	2672.0	657.0	1388.0	7553.0	1722.0	2575.6

y estimate included in Policy and Planning Committee Reports for
3/ Non-Development Activities of the Department will be de-
er priority development programs. 4/ In 1967 only rice and oil
orities will be extended as indicated.

CHAPTER 6

TRANSPORT

6.1 Liberia has never before had a systematic plan for transport development. The development of a transport system geared to the needs of a modern economy will take many years and extend over several plan periods. For this plan period, efforts will be directed to: rehabilitation of existing transport facilities which have been inadequately maintained; setting up of the necessary institutional framework; and within the limited resources available, the creation of additional capacity to the extent justified by economic criteria and policy considerations.

6.2 This chapter deals with seaports, airports, roads, and railroads. In addition, special treatment is given to problems related to the institutional framework.

Seaports.

6.3 The general objectives are:

(a) to develop port capacity consistent with the foreseen economic development of the country, including in particular the exploitation of timber resources.

(b) to continue the training of Liberians in port operation and management to promote Liberianization of these activities.

6.4 To achieve these two objectives the following programs will be implemented by the end of the plan period. Table 1 summarizes the planned investment expenditures on these programs.

(a) Free Port of Monrovia.

- to effect appropriate expansion of capacity and make the port more efficient, the following targets are established:

i) Move the berths for small coastal vessels away from the present general cargo wharf.

ii) Dredge and widen the turning basins and channels to receive larger ore carrier vessels and also facilitate ship movements within the port.

iii) Provide public warehouse facilities.

iv) Improve interim passenger facilities.

v) Negotiate the transfer of the responsibility for the maintenance of the United Nations Drive and Mesurado Bridge to the Department of Public Works.

vi) Prepare a master plan for Port development within the first year of the plan period.

vii) Study the need for acquisition of land for future development and expansion of the Port.

6.5 In order to achieve these targets, the following projects will be undertaken:

i) the interim passenger terminal facilities will be improved in 1967 by rearranging the existing space in Warehouse No. 1 into a more suitable passenger terminal with adequate facilities. Estimated cost: $30,000.

ii) In 1967, responsibility for reconstruction and maintenance of the United Nations Drive will be negotiated. In return for a take-over of future maintenance responsibility by D.P.W. the Free Port will make a contribution towards the reconstruction of this road.

iii) The Management of the Free Port will enter into immediate negotiations with private firms for the construction and operation of public warehousing. Estimated cost: $130,000.

iv) 1967-68: dredging will be carried out in 1967-68 to the depth required by the iron ore companies after agreement with the companies concerning financing. At the same time the channel to the fishing pier will be deepened to 23 feet and widened to 200 feet and the turning basin increased to a 500 foot diameter. Dredging to 30 feet from the south end of the general cargo wharf 1000 feet towards the south breakwater will also be carried out. Estimated cost: $3,000,000.

v) The present inadequate roads and drainage within the port area will be improved during the plan period to permit handling of anticipated traffic. Estimated cost: $200,000.

vi) 1968-70: the existing general cargo wharf of 2000 feet will be extended by 150 feet towards the south breakwater. This will make it possible to move the feeder craft away from their present berths and assure the availability of additional berthing space for the larger ocean-going ships.

vii) The Liberian Development Corporation in cooperation with the Port Management will study the feasibility of attracting business, especially manufacturing, to the Free Port. On the basis of this study and a review of present land use practices in the Port area recommendations will be made regarding the need for providing more land for expansion of the port area.

viii) The erosion of the shore line north of the Free Port will be kept under close observation and, if necessary, an erosion study and anti-erosion measures will be carried out. Estimated cost: $10,000.

(b) Port of Buchanan

Plan targets for the port of Buchanan are:

i) complete arrangements for the management of the "Commercial Quay" and port operations

ii) delineate port property and prepare a master plan for port development.

iii) make the additional investments in warehouse capacity, handling equipment, etc., required to handle traffic foreseen in the port.

6.6 In order to meet these targets the following measures will be undertaken:

Complete negotiations underway with LAMCO J.V. for management and operation of the port.

6.7 It will be the task of the port management to implement the plan goals and assist in obtaining foreign financing for the investment required for the port estimated at $450,000. In addition to this, a customs office and warehouse is being constructed at a cost of $ 64,000.

(c) Ports of Greenville and Harper.

6.8 The plan goal is the development of the capacities of these ports for exporting timber as the main commodity, subject to the findings of the economic engineering survey of transport requiremtnt in southeast Liberia now underway.

6.9 Programs to be undertaken during this plan period will be:

i) In 1967 a detailed survey of transport problems in southeastern region, financed by USAID, will result in a development program for the ports in this region.

ii) Based on this development program, construction will be carried out in the two ports. For planning purposes the total cost is estimated at $8 - 10 million, of which some $5 million will be expended during the plan period.

AIRPORTS.

6.10 The general objectives are:

a) develop Liberia's airports to standards consistent with the type and density of traffic.

b) ensure proper management and operation of these airfields

c) continue the training of Liberians in the field of civil aviation to further promote Liberianization of these activities.

6.11 In order to achieve these objectives the following programs are planned:

a) Roberts International Airport (RIA)

i) to develop the RIA into a modern international airport by improving it to meet the standards established by the International Civil Aviation Organization thus enabling the airport to attract international air carriers and to be capable of accepting the largest aircraft in commercial use at present or in the foreseeable future.

ii) to ensure that the airport operates at the highest level of technical and economic efficiency.

6.12 In order to meet these goals the following projects will be undertaken:

a) Major Construction Program.

6.13 The long term development plan for RIA provides for a $7.5 million construction program. During the plan period the first phase of this program will be carried out. It consists of the following:

	Estimated Cost ($000)
extension of runway, paving of taxiway, construction of apron	1,056.3
Navigational aids and other items related to the safety of the airport	1,281.2
utilities, roads, housing etc.	658.2

TABLE I

Capital Expenditures on Ports by Year
($000)

	1967		1968		1969		1970		67-70 --	
	Total	Gov't budget	Total	Gov't budget	Total	Gov't budget	Total	Gov't budget	Total	Gov't budget
Ports:										
1. Monrovia	1,710	-	1,550	-	155	-	155	-	3,570	-
2. Buchanan	215	-	100	-	100	-	100	-	515	-
3. Greenville/Harper	-	-	-	-	2000	200	3000	300	5,000	500
TOTAL PORTS	1,925	-	1,650	-	2,255	200	3,255	300	9,085	500

	Estimated Cost (Cont'd) ($000)
design costs	374.3
Total	3,370.0

b. Capital Improvement Program.

6.14 During the last few years substantial improvements have been carried out under the regular capital improvement program of the airfield. This program has included renovation and construction of housing, purchase of communications equipment, vehicles, paving and construction of roads, water system and other activities. During the plan period it is intended to continue this capital improvement program at an average rate of $100,000 per year of which 70% is to be financed by the general government budget, and the remainder by airport profits and borrowing.

c. Other Airfields

6.15 The programs outlined below for Spriggs Payne and other airfields describe airfield development desirable to be carried out during the plan period. It is the intention of the government to introduce a system whereby Civil Aviation revenue is collected by the agencies responsible for operation and development of airfields and set aside for an airfield development program. The cost of the program to the government will be limited to the present level of airfield revenues (approximately $25-35,000 per year).

6.16 Through improved collection of revenues and possible foreign aid to supplement these funds it should be possible to carry out a modest first step of the outlined program of some $100-150,000 per year, say $375,000 in the period 1968-70.

James Spriggs Payne Airfield

6.17 Plan Goals are as follows:

i) To retain Spriggs Payne Airfields for use of domestic and inter-regional air traffic and develop it in accordance with the recommendations of the ICAO Aerodrome Engineer's report to ICAO Standards for DC-3 aircraft and comparable equipment.

ii) To protect the airfield and approaches from building encroachment.

iii) To developement the associated ground services for the safe operation and efficient management of the airfield.

iv) To provide management, consistent with the airfield's status, responsible as Government Agent for the collection of all landing fees, rentals and other airfield income and for the provision of essential services in Air Traffic Control, runway maintenance, communications equipment and maintenance thereof and implementation of crash rescue, fire services.

6.18 In order to achieve these goals, the following will be initiated during the plan period.

a. INVESTMENT

6.19 To meet the minimum safety requirements for scheduled air traffic of DC-3 aircraft and comparable equipment in both Visual Flight Rules (VFR) and Instrument Flight Rules (IFR) meteorological conditions it is necessary to improve the present strip and runway at an estimated cost of $680,000. Also to provide the essential ground services it is necessary to install air traffic control equipment, radio masts and aerials, standby power plant, tools, radio test equipment, crash, rescue, fire facilities and extinguishing media, radio circuit to Roberts International Airport, a teleprinter unit, a new control tower and building for the standby power plant at an additional cost of $70,000.

b. Management

6.20 Airport management, maintenance and operation of Spriggs Payne is well below standards and is not consistent with the status of the airfield. Substantial revenues are not collected and are thus being lost to Government. To remedy this situation, negotiations are underway to extend the contract of the Government Agent, RIA, to include the management, operation and maintenance of Spriggs Payne aerodrome.

Harper.

6.21 Plan Goals are as follows:

i) To provide the airfield at Harper City with a runway which meets the operational and safety requirements of aircraft operated by the Liberian National Airlines.

ii) To install and house the minimum amount of essential ground services and communications equipment necessary for the protection of life and property.

iii) To protect the airfield site and approaches from building encroachment.

6.22 The Harper runway which is too short (3,400 ft.) for regular DC-3 operation and cannot be extended to the desired specifications and length will be re-oriented by approximately 15 degrees on the same site. The estimated cost of building the new strip and runway, and providing the necessary ground services is $144,000. Estimated annual recurrent expenditure is $9,500.

Sinoe and River Cess Airfields

6.23 Plan Goals are:

i) To protect the sites and approaches from building encroachment.

ii) To retain, improve, and maintain the runways and strips at both airfields to a standard which meets the operational and safety requirements of aircraft operated by the Liberian National Airlines.

iii) To install and house the minimum amount of essential ground services and communication equipment necessary for the protection of life and property.

To achieve these goals it is planned;

Sinoe

To level a ridge at the end of the runway, to install communications equipment and purchase and operate fire rescue facilities. Estimated cost: $25,000, with recurrent annual expenditures of $10,220.

River Cess

To extend, raise and widen runway for DC-3 aircraft, to install communication and fire rescue facilities would cost an estimated $100,000 with annual recurring costs of $9,500. Before a commitment is made for this project careful consideration should be given to servicing River Cess with smaller planes.

Weasua

Plan goals for this airstrip are as follows:

i) To assume control over some 450 aircraft landing and taking off each month.

ii) To provide simple airstrip maintenance. To achieve this it is planned:

- to establish and operate airstrip radio communications and provide for hand maintenance of the airstrip. Estimated cost: $4,000 with annual recurrent costs of $3,000.

Cape Mount, Voinjama, Sanniquellie, Tchien, Belle Yella

6.24 The plan goal is to provide for simple maintenance, bush clearance and minor airstrip improvements for these airstrips. Estimated cost averages $3,000 per strip.

Protection of Airport Land

6.25 It is necessary to delineate, mark and protect airfield property by having it declared "Restricted Area". The Department of Commerce and Industry is responsible for this action. The cost of marking the airfields is estimated to be approximately $1,000 for ten (10) airfields.

C. Training.

6.26 For the operation of the existing and new facilities there will be an increasing demand for personnel with specialized training. This training will be the responsibility of the agencies concerned.

6.27 During the plan period the training goals will be:

i) To continue the existing training program for Liberian personnel at Roberts International Airport and in the Civil Aviation Division of the Department of Commerce and Industry.

ii) To develop and implement detailed programs for the training of Liberians to work in the following agencies:

National Port Authority
Bureau of Transport
Monrovia Free Port Management
Other Port Managements

6.28 These training goals will be implemented as follows:

i) The major training program for Liberians in the specialized fields of aviation is carried by RIA's operating budget. The annual cost is estimated as follows:

Counterpart contribution to USAID Training Program	$14,000[1]

Adult Education, Correspondence Courses, Pre-training for Overseas Scholarship Candidates	$15,000
Fire/Rescue Training Program	9,000
Customer Service Training	3,000
Communication Training	3,500
Catering Training	4,000
	$48,500

1/ The above program coordinates the training requirements and fits into the USAID bilateral Technical Assistance for which the United States provides a grant of approximately $80,000.00 per annum for training in the following fields:

Air Traffic Control
Aircraft Mechanics
Communication Operators
Radio Mechanics - Navigational Aid Specialists
Flight Operation Officers
Meteorologists
Airport Managers
Airport Fire Officers
Civil Aviation Administration

The total cost of this program over the four-year period is $514,000.00, of which $320,000.00 represents foreign aid.

ii) Division of Civil Aviation, Spriggs Payne and other Aerodromes.

6.29 During the plan period an amount of $28,000.00 is required to provide employment of trainees to attend local courses and on-the-job instruction prior to proceeding on overseas training. Sufficient funds, for overseas basic and specialized training, are available during the plan period through USAID and the United Nations Expanded Program of Technical Assistance.

iii) Other Agencies

In order to develop realistic plans for training of Liberians in these fields the following agencies will be requested to prepare training programs for the Government's consideration:

Department of Commerce and Industry:	Bureau of Transport
Board of Directors of National Port Authority:	National Port Authority
	Monrovia Free Port
	Greenville and other Port Managements

6.30 Each of these programs will cover the following points:

- total staff by category-- expected future development
- expatriate staff by category
- types of training suggested (formal, on-the-job)
- recruitment methods and problems
- number of trainees, taking into account likely drop-out rates
- cost of program, taking into account possible sources of assistance, e.g. U. N. training courses, Scholarship offers, etc.
- time table for replacement of expatriates.

6.31 In as far as existing programs do not cover these points the appropriate agencies should be asked for supplementary information.

D. Summary of Expenditures.

6.32 The following table give a summary of planned investment and recurrent expenditures during the plan period.

Table 2

CAPITAL EXPENDITURE ON AIRFIELDS BY YEAR

($000)

A. AIRPORTS	1967 Total	1967 Gov't. Budget	1968 Total	1968 Gov't. Budget	1969 Total	1969 Gov't. Budget	1970 Total	1970 Gov't. Budget	1967-70 Total	1967-70 Gov't. Budget
1. Roberts Int'l Airport										
a. Major construction	-	-	1,500	150	1,900	190	-	-	3,400	340
b. Capital Improvement	100	60	100	70	100	70	100	70	400	270
2. Spriggs Payne 3. Cape Palmas 4. a. Sinoe b. River Cess 5. Sanniquellie 6. Weasua	-	-	100	30	125	30	150	30	375	90
7. Marking airfield land	1	1	-	-	-	-	-	-	1	1
TOTAL AIRPORTS:-	101	61	1,700	250	2,125	290	250	100	4,176	701
Training										
1. R. I. A.	134	-	135	-	136	-	137	-	542	-
2. Division of Civil Aviation		6		6		8		8		28
3. Other Programs		7		?		?		?		?

ROADS:

6.33 During the plan period, it is intended to achieve the following general objectives.

a. complete road projects now under construction.

b. Firm up a long-term program for a road network in Liberia and construct the first portion of this program.

c. Extend the network of rural roads by continuous construction and rehabilitation of such roads. maintenance

d. Continue the program of improving urban roads.

e. Coordinate private and local road-building activities, where these provide additions to the existing public road network.

6.34 In order to improve the basis for road planning it is planned

a) to make an inventory and map of all existing road facilities;

b) to obtain statistical information on road traffic required for future road planning.

The following action will be taken to meet these goals:

6.35 The DPW will establish an inventory of road facilities by:

a) Collection of available information on existing and planned roads. The main sources of information would be the Department of Public Works, Department of Planning and Economic Affairs, and Concessions.

b) Drawing a map (Scale 1:125,000), indicating the location of the existing roads, indicating paved roads, all-weather laterite roads, dry weather roads. The map should indicate which roads are Government-built and maintained, and which are privately built and maintained.

c) The Department of Public Works in cooperation with the Department of Planning and Economic Affairs will establish traffic counts on major roads with special emphasis on those which are considered for inclusion in the road development program.

The Department of Planning and Economic Affairs in cooperation with DPW will carry out studies of transport costs on various types of roads in Liberia and of the composition of road traffic.

6.36 A Road Planning Group will be set up to coordinate road planning studies, and make recommendations to the National Planning Council on road projects to be constructed and other matters related to road planning.

6.37 The group will consist of members of the Office of Planning of the Department of Public Works and a representative from the Department of Planning and Economic Affairs and be chaired by the Secretary of Public Works. Whenever required, the group will call upon representatives of other departments, concessions, etc., to participate in the meetings. Among the first issues to be considered by this group will be:

a) inventory and map of road planning

b) traffic data collection

c) Establishment of priorities for rural and primary roads

Long-term plan for primary road network.

6.38 The attached map showing existing primary roads, indicates projects under construction and planned projects for which engineering is well advanced. Also indicated on the map are roads considered for inclusion in the long-term road plan for a network of primary roads covering the whole country. This long-term plan includes two primary roads, one along the coast from the Sierra Leone border to Harper and one through the interior from the Sierra Leone border - Voinjama to Maryland County. These two trunk roads are at present connected only by the Monrovia-Gbarnga highway. Under the long-term plan, it is intended to link:

a) Voinjama area with Montserrado County directly.

b) Tappita area with the coastal area, either by two roads as suggested on the map or by one road between Tappita and the coastal highway.

c) Tchien and Greenville (road under construction).

During the Plan Period, the Road Planning Group shall be responsible for reviewing and up-dating the long-term road plan. For proposed new construction, engineering and economic feasibility studies shall be prepared as a basis for choice between possible alternatives. The work load involved in carrying out these studies shall be distributed as follows:

i) Road Planning in Southeast Liberia

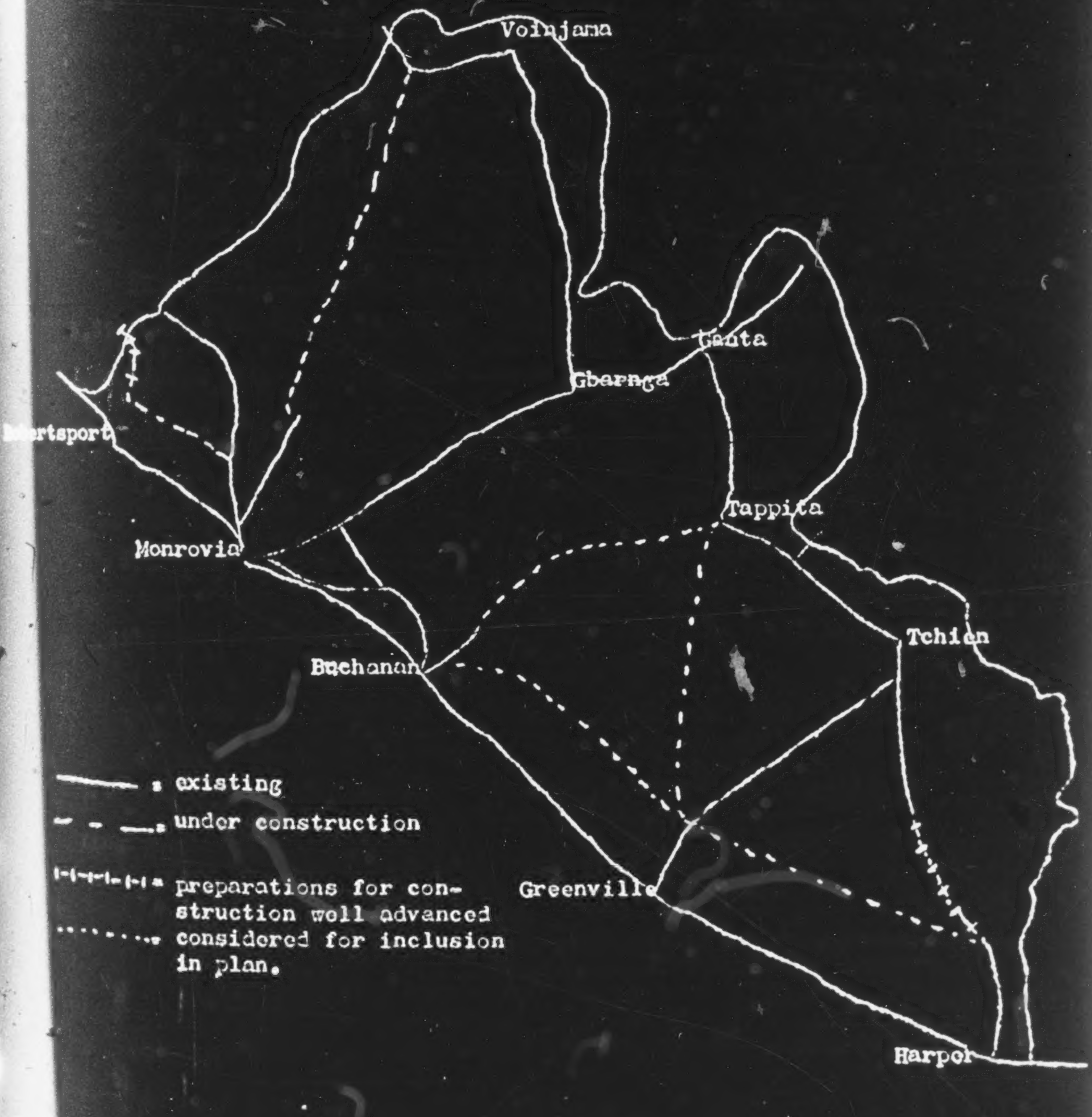
A consultant is carrying out an elaborate study of transport problems in Southeast Liberia which will result in a program of road (and port) development for the region.

ii) Engineering

Considerable engineering work is required to implement the road plan in other areas. The Department of Public Works will carry out the engineering surveys for projects considered for inclusion in the plan:

1.	Monrovia-Kakata	(Rehabilitation)
2.	Ganta-Tappita	(Improvement to primary standards)
3.	Monrovia-Bomi Hills	(Improvement to primary standards & paving)
4.	Gbarnga-Sanniquellie	(Improvement to primary standards and paving)
5.	Gbarnga-Belafanai	(Improvement to primary standards)
6.	Totota-Gbarnga	(Paving)
7.	Kakata-Totota	(Rehabilitation)
8.	Kolahun-Montserrado County	(New construction)

PRIMARY ROAD SYSTEM


Voinjama
ertsport
Gbarnga
Ganta
Tappita
Monrovia
Buchanan
Tchien
Greenville
Harper
: existing
: under construction
: preparations for construction well advanced
: considered for inclusion in plan.

iii) Economic Feasibility Studies

Economic feasibility studies shall be carried out by the Department of Planning and Economic Affairs which will collect the data required and provide the Road Planning Group with material necessary to make sound decision on priorities.

Construction during Plan Period.

6.39 During the first years of the plan period, the main activity in major road construction will be the completion of projects already underway:

i)	Kle-Pujehun	60% completed, financed by IBRD
ii)	Monrovia-Robertsfield	30% completed, financed by IBRD
iii)	Greenville-Juarzon	95% completed, financed by Germany
iv)	Juarzon-Tchien	15% completed, financed by Germany

6.40 Discussions are underway with the IBRD for the possible financing of the following projects:

a) Construction of a new road link from Tartuke to Karloke - 38 miles - estimated cost including engineering $2.5 million.

b) Engineering for the 28 mile extension of the Kle-Pujehun road to the Sierra Leone border - estimated cost including engineering is about $2.5 million.

6.41 During the Plan period, high priority will be given to the construction of roads aimed at opening up the South-eastern part of the country. Until the new Southeast area study becomes available, the following suggest the types of projects which may emerge from the Survey, and the magnitude of the road construction to be undertaken in the area.

1. Road connection between Greenville and Camp King on Harper-Tchien road - 100 miles, estimated cost $5-6 million;
2. road connection between Buchanan and Greenville; - 100 miles, estimated cost $6-7.5 million;
3. road connection between Tappita and Coastal highway 100 - 120 miles - estimated cost $5-6.5 million.

Road surveys, negotiations for foreign loans, building, etc., for these projects arising from the southeast survey will fall in 1967-68. Construction of some of them could be initiated starting towards the end of 1968, with some $2-2.5 million possibly to be spent in the Plan Period.

6.42 Large stretches of primary roads falling in various categories are in need of improvement. These categories are:

a. Roads, originally constructed to secondary standards:

	Miles
Suakoko-Gbarnga	11
Gbarnga-Ganta-Sanniquellie	70
Ganta-Tappita	62
Monrovia-Bomi Hills	48
Gbarnga-St. Paul River	28
	219

b. Roads which, although constructed to standards, have deteriorated to a point where major rehabilitation is needed, e.g. Monrovia-Kakata

c. Roads on which present and future traffic may justify paving, e.g.

	Miles
Totota-Gbarnga	42
Monrovia-Bomi Hills	48
Gbarnga-Sanniquellie	70
	160

At an average cost of $30,000 per mile, the total cost of such an improvement program would be $10-12 million. Before foreign financial assistance could be obtained, it will be necessary to collect information on engineering, traffic counts, transport costs, and maintenance costs. If Government counterpart contribution of $0.5-1 million could be budgeted, a program of $2-4 million might be contemplated. Such a program would be a valuable first step towards improving the parts of the primary road network which are most urgently in need of upgrading.

RURAL ROADS:

6.43 The program goals for the rural road program will be:

a) The rehabilitation or new construction of approximately 60 miles of rural roads per year to open up areas with sufficient population density, agricultural potential, etc, to justify such construction. This work should be done under DPW Force Account within the framework of the contemplated USAID Rural Road loan package.

b) Additional 60-80 miles of rural roads should be built by contractors under the same loan agreement.

c) Maintenance of rural roads should be improved to avoid deterioration of new and existing roads;

d) Local self-help schemes for the construction of rural roads shall be given assistance by the DPW in form of engineering assistance, equipment, etc., whenever possible.

The construction of rural roads will be among the major activities to be undertaken directly by DPW during the Plan Period. The construction teams of the Department are constructing two rural roads included in an earlier USAID assistance program, i.e., Gbartala-Founetolah (18 miles), and Saglepie-Khanpley (partly rehabilitation) (48 miles). In addition, construction is underway on a road from Robertsport to Medina (26 miles) on the new Kle-Pujehun Road, financed partly by DPW and partly by US commodity loan funds. Government's contribution to these projects are estimated at $400,000 for 1967.

When they are completed, the Department will undertake for the rest of the plan period construction of 185 miles of road, financed in part by a USAID loan. These include:

Tappita-Yilla (Palala)
Todee-Mt. Coffee
Tchien-Ziatown
Pleebo-Barclayville
Khanpley-Blemieplay
Bopolu-Belle Yella
Kolahun-Kailahun
Mano-Mines Bridge over Loffa River-Songeh

The total cost per mile of rural road averages $10-12,000 of which $3-4,000 represents DPW's direct expenditures.

Rehabilitation

6.44 A substantial mileage of roadway which was at some time used by motor vehicles has been allowed to fall into disrepair because of insufficient funds and equipment for maintenance. As part of the rural road program, DPW will aim at rehabilitating some of these roads. Standards will be kept to a minimum: single lane laterite road; culverts as far as possible of a permanent type; bridges of the most resistent timber available in the region, to keep maintenance to a minimum. Where traffic expectations justify this, standards will be increased above this minimum level. During the first construction seasons of the plan period, rehabilitation will be undertaken under the USAID loan program mentioned above.

Private Road Construction

6.45 As in the past, private road construction will continue to add to the road net-work of the country. Logging and mining companies and plantations construct roads for their own activities, some of which serve as rural roads for the general public.

Self-help Road Construction

6.46 Wherever self-help road construction is planned by local authorities, the DPW will, as far as possible, assist in these efforts by engineering assistance, equipment, operators and materials. The impact which this type of construction can make is difficult to foresee, however, out of this self-help effort, some 25-50 miles of feeder roads may be added to the country's road network each year.

Streets

6.47 During the Plan Period, the following major street construction is contemplated:

Monrovia Freeway	2-lane pavement - 8 miles. Anticipated cost: $250,000.

This project will be considered as part of the highway improvement program mentioned above.

Capitol By-Pass	1 mile Estimated cost: $600,000.
Mesurado River - St. Paul River (rehabilitation)	5.5 miles Estimated cost: $500,000.

250
600
500
135

Street improvement and paving in Monrovia will be continued by the DPW maintenance Division at a cost of approximately

$100,000 per year. In addition, paving of Harper streets will be continued in 1967 at a cost of $200,000. Expenditures of this order of magnitude will be used each year for a program of street paving in other cities.

Road Maintenance

6.48 It is planned that with foreign technical assistance, a firm basis for budgeting of maintenance operations of the DPW will be established including the assembly of a complete cost data of maintenance operations. This will furnish reliable information about the needs for manpower, equipment, material, fuel, etc., required for effective maintenance of the road system and will lead to realistic budgeting of funds.

Maintenance Training Project

6.49 Foreign technical and financial assistance shall be sought for an on-the-job training program in road maintenance to increase and upgrade the available manpower pool of trained personnel. In addition, up-country maintenance shop facilities are planned under the USAID Rural Road loan. Negotiations are underway for the establishment of a maintenance depot at Buchanan with financial assistance from the German Government. The purpose of this project is to train Liberians at all levels in efficient maintenance routine, including administration, reporting, inspection and equipment operation.

6.50 It is estimated that the DPW has $1.5 million of road maintenance equipment. These equipment require spare parts of at least $175,000 per year and fuel of approximately $100,-125,000. During the Plan Period it is assumed that an annual replacement budget (with foreign assistance) of approximately $250-300,000 will be required.

Summary of Expenditures

Table 3 gives the summary of estimated expenditures on roads during the plan period.

Railroads

6.51 Railroads in Liberia are owned and operated by the mining companies for their own purposes. During the plan period Government activity in this field will be related to the use of railroads for commercial traffic. The Government will

a) continue to use its good offices in an attempt to bring about a successful outcome of negotiations now underway for use of the LAMCO Railroad for commercial traffic;

b) review the situation in this field from time to time in order to ascertain whether opportunities exist for increasing the use of existing railways for commercial traffic.

Until such time as this function can be taken over by the proposed Bureau of Transport, mentioned below, it will be carried out by the Department of Planning

TABLE 3

Estimated Expenditures on Roads by Year

	1967		1968		1969		1970		67 - 70		Remarks
	Gov.	Total	Gov.	Total	Gov.	Total	Gov.	Total	Gov.	Total	
IBRD road program	543	1,550	-	-	-	-	-	-	543	1,550	Financed 65% by IBRD
Greenville - Tchien	0	2,500	0	1,500	-	-	-	-	0	4,000	Financed 100% by Germany
Tartuke-Xarloke	50	50	320	1,000	350	1,000	155	450	875	2,500	Negotiations underway with IBRD for financing
Pujehun-Sierra Leone	-	-	100	390	200	570	350	1,000	650	1,960	Negotiations underway with IBRD Financing
Southeast Program, Survey Construction	- -	700 -	-	-	100	1,000	125	1,250	- 225	700 2,250	Survey financed 100% by USAID; 90% USAID financing assumed for construction.
Improvement	$111^{x)}$	111	150	600	200	800	250	1,000	711	2,511	75% foreign financing to be sought for 1968 - 70.
Rural Roads	$31^{x)}$	400	150	1,000	200	1,000	250	1,000	631	3,400	Assuming approval of proposed USAID program.
Street	255	655	350	750	350	550	300	300	1255	2,255	100% German financing of capitol By-Pass ($600,000) Free Port contribution of $400,000 to Mesurado St. Paul road assumed
Maintenance Support	269	269	225	425	225	425	225	425	944	1,544	80% foreign financing of replacement program 1968-70 to be sought.
Total	1259	6235	1295	5665	1625	5345	1655	5425	5834	22670	

x) contribution from development budget 1967 only and Economic Affairs.

V. ADMINISTRATIVE STRUCTURE

General Sector Objectives

i) To set up a National Port Authority with responsibility for seaports and airports

ii) To centralize general responsibility for transport matters in a Bureau of Transport.

6.52 In order to achieve these objectives, it will be necessary to effect the following institutional changes:

1. The National Port Authority - Legislation to set up the Authority has been drafted. As soon as this legislation is enacted, a Board of Directors of the National Port Authority will be appointed by Government. At the first stage the Authority will only take over responsibility for seaports. During the plan period consideration will be given to the objective that also airports should be included under the National Port Authority.

2. Bureau of Transport

i) A Bureau of Transport will be set up early in the plan period within the Department of Commerce & Industry;

ii) The legislation providing for the transfer of the Bureau of Maritime Affairs to the Department of Commerce & Industry will be activated;

iii) The Department of Commerce & Industry, in cooperation with other interested agencies, will define the scope of responsibilities and the functions of the Bureau of Transport.

CHAPTER 7

COMMUNICATIONS

7.1 In the plan period special emphasis will be on the improvement of communication services within the existing system and on maintaining existing facilities. In addition certain selected investments are proposed to supplement existing facilities and to increase the efficiency of service.

Postal Service

7.2 The general objectives are:

a) to improve the postal service throughout the country with special emphasis on servicing the new counties in support of the Government's unification program;

b) to increase the productivity of the postal administration by increasing efficiency and developing a more appropriate system of financial control;

c) to improve the financial position of the postal service by giving priority to revenue-generating services;

d) to meet outstanding bills to foreign postal administrations.

7.3 The specific goals are:

a) to maintain regular and frequent mail service to the post offices and postal agencies outside Monrovia. It is the aim to provide mail service at least once a week to all offices and agencies in the country;

b) to complete the program of opening post offices in all county seats. An attempt will be made to have suitable space made available by the local authorities for the initial setting up of post offices in all county seats. When funds become available, functional post office buildings will be constructed;

c) to improve the postal service in Monrovia by opening a branch office and constructing in stages, as funds become available, additional space for the Monrovia Post Office and the Postal Administration;

b) to provide a mobile Post Office to serve outlying postal districts around Monrovia;

c) to improve the financial system of the Postal Service so that postal revenues can be used to expand the services in response to demand.

7.4 In order to meet plan goals the following activities are proposed:

a) Mobile Post Office

To serve the need of many communities within an area bounded by Klay on the Bomi Hill road, Totota on the road to the north, and Harrisburg and Bopolu on subsidiary roads a mobile post office will be purchased and operated. It will be scheduled to stop at townships along a pre-determined route to provide a delivery and counter service

b) Equipment for new post offices

With the cooperation of County Superintendents new post offices are being opened in each of the new county seats. Postal equipment for these offices, will be provided by the Department.

c) Construction of Standard Post Offices

A compact, functional post office building has been designed with external dimensions 25 ft x 25 ft. which can be erected and fully equipped for about $10,000. It is planned to construct one at each of the following County seats: Sanniquellie, Voinjama and Zwedru

d) Furnishing of the Gbarnga Post Office

The Gbarnga post office building is under construction. When this self-help project is completed the Department will provide the furnishing and necessary equipment for the office.

e) Post Office Boxes

Modern Post Office Boxes will be installed in those post offices outside Monrovia where there is a demand for them. This installation will provide imporved service and be self-amortizing.

(f) Post Offices - Greenville and Harper

At Greenville the local authorities propose to construct a post office on a new site in the center of the town. The Department will provide equipment to the post office when completed.

At Harper a modest renovation and extension of the post office is planned.

(g) Branch Office Camp Johnson Road, Monrovia

To serve a very busy sector of Monrovia, located more than a mile from the central post office, it is planned to establish a branch office in this area.

(h) Monrovia Post Office Complex

The small annex completed early in 1965 has proved how efficiency can be raised by using properly designed facilities. It is proposed that a postal complex be provided capable of housing the Monrovia postal services in their entirety on the first three floors, with the General Post Office Headquarters on the top floor.

7.5 To give adequate service for the next fifteen years, the following space will be required:

GROUND FLOOR -	Public Office with all counter facilities, Outward Sorting Section	5,000 Sq.ft.
FIRST FLOOR -	Parcel Storage and Customs Assessment	5,000 sq.ft.
SECOND FLOOR[1] -	Postmaster's Office, Records and Stores, Bag Control, Return Letter Office, Welfare facilities	7,700 sq.ft.
THIRD FLOOR[1]	Postmaster General's Suite, Conference Room, Administrative Section, Strong Room	7,700 sq.ft.
	Total space requirements	25,400 sq.ft

---

[1] This represents building (2,700 sq.ft. on each floor) over the existing postal annex.

The work will be done in the following stages:

> Erect second and third floors above existing annex. Demolish the old postal building and complete the postal complex. It is estimated that this will take three years to complete.

Foreign Mail Accounts

7.6 A major financial problem of the postal service is outstandings on the foreign mail account. Provision should be made to meet these outstandings in order to insure continuing service.

Financial Flexibility

7.7 All postal service revenue is paid to the Treasury and expenditures are provided for in the general budget. This poses problems for a service whose operation in many respects resembles that of a business concern. To meet this difficulty, it is proposed to introduce a system which will allow the postal administration to use its own revenues directly for certain specified purposes. Such a system which is employed successfully in other administrations, would result in improved service and increased revenues.

7.8 The advantages of the proposed financial flexibility include: ready availability of funds to meet payment of bills to foreign administrations, etc., for carrying of mails; ready availibility of funds essential to the maintenance of existing services and the increasing of revenue through expanded services; suitable accounting procedures to reflect the financial position of the services.

7.9 The Department would gain a degree of autonomy from financial flexibility but it would remain fully accountable to the appropriate agencies of Government, which would continue to exercise general control.

7.10 The cost of the proposed program is given in Table 1.

TABLE I

COST OF THE POSTAL PROGRAM

1967	CAPITAL COST $	RECURRING COST &	Remarks
Mobile Post Office	5,000 (Vehicle fully equipped)	1,500 (Staff of two 10 months) 500 (Maintenance) 300 (Fuel)	To provide essential postal services to about 20 small towns around Monrovia
Equipment for Post Offices in New Counties	800 (3 safes) 150 (3 scales) 250 (sealing presses and date stamps)	-	To provide essential equipment to operate new services securely
Nests of Post Office boxes at Buchanan, Gbarnga, Robertsfield, Harbel.	3,500 (336 P.O.Boxes)	(These boxes should produce minimum income of $1,500 per annum).	To satisfy public demand and improve : . service.
Equipment for Gbarnga Post Office	2,000	-	To ensure completion of this partially finished Post Office
Construction of Monrovia Post Office Complex	80,000	-	Second and third floors above existing annex. $60,000 to be provided out of income from Philatetic Agent.
TOTAL FOR 1967	$91,700	$2,300	

COST OF PROGRAM (CONT'D)

	CAPITAL COST	RECURRING COST	REMARKS
1968	$	$ 2,600	(Brought forward from 1967)
Erection of one Standard Post Office	10,000 (Fully equipped)		To replace inadequate accommodation at Voinjama.
New equipment for Greenville Post Office and contribution towards construction	5,000	-	To provide a model, larger type office to replace existing one.
Acquisition of old Monrovia Post Office and site.	Figure to be assessed by DPW	-	-
Demolition of old Monrovia Post Office building	20,000	-	
Construction Monrovia Postal Complex	200,000	-	$180,000 to be provided out of foreign loan and Philat. Ag. revenue. Ground and first floors to be built on old Monrovia Post Office Site.
TOTAL FOR 1968	235,000	2,600	

COST OF PROGRAM (CONT'D)

	CAPITAL COST	RECURRING COST	REMARKS
	$	$	
1969		2,600	(Brought forward from 1968)
Erection of one Standard Post Office	10,000 (Fully equipped)	-	To replace inadequate accommodation at Sanniquellie.
Alterations to Harper Post Office	5,000	--	To extend accommodation to cater for growth.
Completion Monrovia Postal Complex.	200,000	-	Second and third floors. $180,000 to be provided out foreign loan and Philatelic Agent revenue.
New Branch Office in Monrovia.	2,000 (Counter equipment)	2,000 (Staff) 1,500 (Rent)	
TOTAL FOR 1969	$217,000	$6,100	

COST OF PROGRAM (Contd)

	CAPITAL COST	RECURRING COST	REMARKS
1970	$	$	
		6,100	(Brought forward from 1969)
Erection of one Standard Post Office	10,000 (Fully equipped)	-	To replace inadequate accommodation at Zwedru.
TOTAL FOR 1970	$10,000	$6,100	
SUMMARY			
1967	91,700	2,600	
1968	235,000	2,600	Cost of acquisition of Monrovia Post Office and Site to be determined.
1969	217,000	6,100	
1970	10,000	6,100	
TOTAL	$553,700	17,400	Cost of acquisition of Monrovia Post Office and Site to be determined.

Telecommunications

7.12 General Objectives are:

a) To ensure efficient operation and maintenance of the existing telecommunications system.

b) To reduce the operating deficit of the system by all appropriate measures including investments carefully selected on the basis of detailed cost/benefit analyses.

c) To speed the training of Liberians in operation, maintenance and management of the system.

d) To consolidate duplicating existing systems into a single telecommunication service.

7.13 The Plan goals are:

a) To set up in the first year of the plan period, under the chairmanship of the Postmaster General, a specialized agency of Government to be known as the Telecommunications Authority, to be responsible for the management and operation of public telecommunications services.

b) To set up within the Department of Post and Telecommunications a Bureau of Technical Affairs to regulate, inspect and control all radio networks in the country; and which will also represent the Government of Liberia vis-a-vis international agencies.

c) To increase efficiency by negotiating a contract with an experienced firm to direct the management and operations of public telecommunications and setting up a training program and an overall long-term development plan for the telecommunications system.

7.14 To achieve these goals, the following activities are proposed:

a) Enacting in the first year of the Plan, Legislation establishing the Telecommunications Authority with responsibility for Telecommunications Services.

b) Negotiating a management contract with an experienced firm. The management will then be committed to carrying out all the other general and specific goals stated in the plan for telecommunications. (An annex giving details of the proposal to set up a Telecommunications Authority is attached).

c) Establishing a Bureau of Technical Affairs within the Department of Post and Telecommunications.

Training

7.15 The new Authority will be required to take over the existing staff for a probation period while accessing their qualifications and capabilities. It may be assumed that no additional manpower requirements will result from this reassessment of the needs of the system, but the management of the Authority will be expected to increase the level of training and education of the staff by (i) temporarily employing expatriate personnel where trained Liberian staff is not available, (ii) developing a realistic long-term training program which will result in Liberianization of the staff.

Budgetary Implications

7.16 In estimating the budgetary implication of the telecommunications program a large element of uncertainty cannot be avoided. The table below gives a forecast of the subsidy required to cover the operating deficit of the Telecommunications Authority during the plan period. This estimate is based on the assumption that from the time the Authority is established, provisions will be made in the general budget for the payment of Government bills.

TABLE 2

Government Subsidy to Telecommunication Authority
($000)

	1967	1968	1969	1970	1967-70
Burden on General Budget	850	750	650	580	2,830
of which					
Subsidy to Telecommunication Authority	660	570	480	420	2,130
Payment for Services rendered to Government	190	180	170	160	700

7.17 No estimate is included in this table to cover expenditure related to future investment in the telecommunications system. In view of the uncertainty regarding future management of the system it is difficult to make any forecasts. It seems evident, however, that investment decisions in the future will have to be made after careful study of the costs and benefits involved. Only where such studies show that carefully selected investments can improve the financial situation of the system is it likely that the Authority will make a decision to seek financing for investment. Certain preliminary studies suggest that investment in the order of $0.5-1.0m. may be required for this purpose during the plan period, but a final decision on these matters will rest with the Authority which will also be responsible for exploring the possibilities of financing such investments.

APPENDIX

PROPOSAL RECOMMENDING THE ESTABLISHMENT OF A TELECOMMUNICATIONS AUTHORITY

7.18 During recent years the Government has made very substantial investments in telecommunications. A country-wide radio multichannel system capable of carrying telephone and telegraph circuits has come into being, new telephone and telegraph circuits have been established with a number of countries, local telephone exchanges have been established at several county headquarters and the telephone system of Monrovia and Sinkor has been reactivated and extended. The telecommunications system was developed to meet the following basic objectives:-

(a) To meet the public demand for improved communications as required in a rapidly developing national economy.

(b) To provide easy flow of information and promote contact between all sections of the country, thereby promoting the social and political development and integration of the nation.

This major step forward has brought with it several probelm, the most important of which are:-

(a) There is an acute shortage of qualified Liberian personnel, and an intensive training program must be inaugurated. Because of the complexity of the telecommunications service such a program cannot be accomplished rapidly but its clear final goal must be to make the service independent of expatriate expertise.

(b) Whilst Liberian personnel are being fully trained the day-to-day services must be efficiently maintained and developed, thus protecting Governments considerable investment.

(c) Present personnel policies are unsuitable for producing the high degree of productivity which this commercial-type service requires.

(d) The austerity program makes it difficult for Government to provide the additional financing needed for present operation, maintenance and further expansion.

(e) Difficulty of access to many telecommunications sites and problems of transport contribute to high operating and maintenance costs.

To find solutions to these problems, priority must be given to the establishment of an organisation so planned and managed that, while keeping within the parameters of Government policies, it would provide efficient and reliable services, with continuing development. There have been instances in Liberia where certain public services, such as electricity, water and sewers, broadcasting and television, have been placed under the control of Boards. There are good reasons to think that such a type of organization operates most efficiently and economically. They adopt commercial practices and establish salary and wage structures suited to their particular needs, which has a noticeable positive effect on recruitment and performance of personnel. Since telecommunications is essentially an undertaking of a commercial and highly technical nature it is considered that some form of "Board" or "Authority" is desirable, even if it has to be subsidised by Government during its early years of operation. It is therefore recommended that:

1. A Telecommunications Authority be established consisting of a Board of Directors appointed by the government with the Postmaster General as Chairman of the Board.

2. That the policy and planning committee supplemented by representatives of the Departments of Justice, and the Treasury and the Public Utilities Authority draft propose legislation for establishment of the Authority.

3. That negotiation be entered into with an experienced organization to direct the management and operations of public telecommunications.

The following paragraphs outline in more detail solutions to some of the problems which this proposal raises:

I. Relationship of the Authority to the Department

7.19 The traditional arrangements have been that Post, Telephones, and Telegraph are put together. The present situation in Liberia is one in which the subdivisions of Radio and Telephones each have a commissioner responsible to the Postmaster General via the Deputy Postmaster General. The Radio and Telephone divisions are financed through the budget of the department, and their revenues are paid into the general fund. The present set up does not facilitate the needed close cooperation between various parts of the telecommunications system and makes it difficult to get a clear picture of the costs and revenues for local telephones domestic and international telecommunications separately.

7.20 After the setting up of the Authority, the new relationship with the Department of Posts and Telecommunications will be as follows: The Board will be held responsible to the Government via the Postmaster General. He will remain the main medium through which general government policy, direction and control will be channelled down to the Authority.

7.21 The Authority itself will consist of a Telecommunications Board. The Board will have a maximum of nine (9) members including a minimum of two (2) from the private commercial sector. One (1) member, apart from the Chairman, should be from the Central Office at the Department of Posts and Telecommunications. One (1) each from the Treasury, the Department of Planning & Economic Affairs and the Department of Justice. The two (2) present Commissioners for Radio and Telephones should also be on the Board.

7.22 The Postmaster-General will be Chairman of the Board. There will be one Chief Executive Officer of the Authority, who will be in charge of administration, planning and development. He will be paid a salary to be determined by the Board. The Chief Executive Officer will be Vice-Chairman of the Board. One of the present commissioners of communications should become Chief Executive Officer.

7.23 The question of the payment of the Board should be considered by the Board itself after it has been set up, and a recommendation made to the government via the Chairman.

II. Functions of the Board

7.24 The Board will have the usual Business Corporation Rights and Powers. It will be responsible for the general supervision of the management, formulating policies subject to presidential approval; the enforcement of approved Government policies; the procurement of Auditors for the Authority's accounts and the preparation of the Annual Reports to the President and the Legislature for submission by the Chairman of the Board.

III. Functions of the Management:

7.25 The management will be in charge of the day-to-day operations of the Authority but will be under the direct supervision of the Board. Its activities will be within the limits set by general Government policies as interpreted by the Board. The following are some of the major areas in which the Management will be concerned.

A. Financial:

7.26 The Management will prepare the Budget of the Authority. The Budget will then be submitted to the Board for approval. The Board will then request from the Government the necessary subsidy up to the maximum which will be stipulated in the Legislation setting up the Authority.

7.27 The Management will also be concerned with the collection of revenues, settlement of financial obligations, cooperation with the Auditors and the maintenance of the accounting system. The Management will so maintain the Authority's accounts that both revenue and expenditure are identified in respect of each of the various services separately and the profitability or otherwise of each of the various services separately demonstrated.

B. **Technical:**

This involves both operational management and maintenance management:

a) Training Program

The management will develop a realistic long-term training program which will be submitted to the Board for approval.

b) Long-term Planning

The management will also be required to work out and present development plans for the improvement of the Telecommunications system. These plans have to be approved by the Board before they can be implemented.

c) Reporting

The management must prepare regular monthly reports on the operations of the system in as much detail as possible and submit these to the Board.

d) Personnel Policies

The management should follow as closely as is practicable the normal personnel policies used by business corporations. The contracts of expatriates must be approved by the Board prior to execution.

IV. Type of Company Required

7.28 The Authority should contract with an experienced management company, preferably with experience in operating telecommunications in either developing or developed countries. It should be pointed out that the firm which will demonstrate a potential ability to attract foreign financing will have the advantage in the selection process.

V. Existing Staff

7.25 The management company should be required to take over the existing staff completely for a probation period of three (3) months during which the Authority will assess the qualifications and capabilities of its staff, and revise if necessary the complement of said staff.

CHAPTER 8

PUBLIC UTILITIES

8.1 A substantial expansion of public utility facilities will be made during the Plan. Investment in these installations is dedicated to ensuring an adequate and dependable electric power supply for industry and commerce, providing a modern water and sewerage system for the capital and environs and offering sanitary water supplies for major towns. These programs contribute to improved health and higher productivity of people.

General Objectives

8.2 The objectives sought during this plan period are:

1. Provide reliable and relatively cheap electric service to centers of major population concentration.
2. Establish a safe and adequate portable water supply for Monrovia and major towns.
3. Establish a sanitary sewer system in Monrovia adequate to meet the needs of the increasing population in the nation's capital city.
4. Seek to lay the groundwork for regional power planning leading to the interchange of power with neighboring countries when technically and economically feasible. This aspect of regional cooperation offers future savings in investment in power facilities and an additional impetus to the development of the West African sub-region.

8.3 The total cost of public utilities programs as summarized in Table I is $23.2 millions.

TABLE I

PLAN PUBLIC UTILITY INVESTMENT PROGRAM
($ 000,000)

	1967	1968	1969	1970	TOTAL
Power Program					
External Financing	.300	.100	.300	2.270	2.970
Domestic Financing	.700	.505	.530	.777	2.512
Sub-Total	1.000	.605	.830	3.047	5.482
Monrovia Water Program					
External Financing	4.000	3.000	-	-	7.000
Domestic Financing	.400	.400	-	-	.800
Sub-Total	4.400	3.400	-	-	7.800
Monrovia Sewer Program					
External Financing	2.000	4.200	1.000	-	7.200
Domestic Financing	.200	.400	.200	-	.800
Sub-Total	2.200	4.600	1.200	-	8.000
Municipal Water Systems					
External Financing	-	.270	.720	.720	1.710
Domestic Financing	-	.030	.080	.080	.190
Sub-Total	-	.300	.800	.800	1.900
Total Public Utility Investment					
External Financing	6.300	7.570	2.020	2.990	18.880
Domestic Financing	1.300	1.335	.810	.857	4.302
Grand Total	7.600	8.905	2.830	3.847	23.182

8.4 In 1962 the National Legislature created the Public Utilities Authority (PUA) as an autonomous specialized agency of Government, controlled by a Board of Directors, and empowered to operate and maintain all generation and sales of electricty as well as water and sanitary sewer facilities in the Nation.

8.5 An Agreement between Government and the PUA signed 30 March 1966 specifies that all financial obligations between Government and the PUA will be recorded in a Special Clearing Account as they fall due. The PUA's present obligations to Government in this Special Clearing Account consists of principal and interest on loans contracted by Government on behalf of the PUA. Government's obligations to the PUA, on the other hand, consists of: electricty consumed by Government at the rate of 4¢ per KWh, water consumed by Government at the rate of $1 per 1000 gallons, a subsidy based on the actual cost of operation of the electric systems outside Monrovia and a subsidy of $90,000 annually for Monrovia street lighting and traffic control. A subsidy is to be agreed upon for the operation of the Monrovia Sewer System.

8.6 At the end of the each calendar year balances in the favor of Government in the Special Clearing Account are transferred to a Special Reserve Account kept by the PUA. By mutual agreement these funds may be used to service PUA debts or finance capital additions to the PUA system. Balances in the Clearing Account in favor of the PUA are settled at the end of each year by cash payment to the PUA.

8.7 The PUA is following a 10 year manpower program. At the present the organization is manned as follows: management team-7, other expatriate personnel - 21, Liberian personnel - 503. By 1975, staffing is forecast to be as follows: expatriate personnel - 5, Liberian personnel - 342.

Table 2 summarizes the evolution of public utility permanent manpower requirements over the Plan:

Summary, Manpower Requirements

Year	Expatriate	Other Supervisory	Semi-skilled and Other	Total
1967	22	51	268	341
1968	22	54	251	327
1969	18	58	244	320
1970	14	62	248	324

8.8 There will be an excess of personnel, relative to targets, in the first two years of the Plan. This will be the result of temporary hirings to make meter and house connections for the water system. The PUA has assumed this responsibility as an economy measure to reduce the contracted cost of the system

8.9 Recruitment and training to meet these requirements include the following activities: testing; formal schooling (in literacy, elementary, secondary, college and business courses, usually with books and tuition provided by the PUA), technical training in hydroelectric plant operation and sewer and water operations; on-the-job training (includes courses in electrical theory, diesel operation and maintenance, radio communications, general accounting, water and sewer system operation and driver training).

8.10 The national public power system comprises seven diesel generating stations and one large hydro electric station of 34,000 kw at Mt. Coffee. Total installed capacity as of December 1966 was 55,490 kw. An additional 50,000 kw., under private ownership, is installed at major industrial concessions and in remote localities. Three of the public stations are in the Monrovia area and one each in Robertsport, Buchanan, Greenville, Harper and Sanniquellie

8.11 The Government is planning to invest $5.5 millions to meet an estimated average annual load growth of 16 percent over the Plan Period. This growth estimate, which in turn established physical facility targets, was derived from consideration of the following factors: addition of new customers, increased levels of consumption by individual customers, enlarging the system's service area, added industrial load and the anticipated rate reductions.

8.12 It is estimated by PUA that generating Units #1 and #2 (34,000 kw) installed at the Mt. Coffee Hydroelectric Station will meet anticipated demand for electric energy during the Plan Period. Table 3 gives the details of planned investment in electrical facilities during the next four years:

TABLE 3

PLAN POWER PROGRAM - INVESTMENT PROJECTS
($000,000)

	1967	1968	1969	1970	TOTAL
Mt. Coffee Hydroelectric Station Phase #2 1/					
External Financing	.300	.100	.300	2.270	2.970
Domestic Financing	-	.005	.030	.227	.262
Sub-Total	.300	.105	.330	2.497	3.232
P.U.A. Minor Capital Additions and Replacements 2/	.700	.500	.500	.550	2.250
Total Power Program Investment					
External Financing	.300	.100	.300	2.270	2.970
Domestic Financing	.700	.505	.530	.777	2.512
Grand Total	1.000	.605	.830	3.049	5.482

1/ Units #3 and #4 and upstream storage

2/ Includes transmission line expansion etc financed by PUA Current Operating Revenue.

8.13 Early in the next plan period it will be necessary to make additional major investment in the power system for Mt. Coffee upstream storage and Mt. Coffee Hydro Units #3 and #4.

8.14 During the present plan it is estimated that power generated will rise from 139,300 MWH annually in 1967 to 217,500 MWH in 1970.

Monrovia Water System

8.15 Prior to 1954 Monrovia was entirely dependent upon shallow wells and cisterns. The existing water system, serving some 4,500 customers in an area limited to downtown Monrovia and parts of Sinkor, Congo Town and Bushrod Island, meets only a small part of the city's water system. In recent years there has been an increasing and uneconomic private investment in wells.

8.16 Engineering studies have been completed for a new $7.8 million public water system having an average capacity of eight million gallons daily (MGD) with provision for expansion to 24 MGD. Construction of this system will begin in 1967. Table 4 presents a projection of the estimated growth of customers and water consumption over the plan period.

TABLE 4

Monrovia Water System

Estimated Customers and Water Use

	1967	1968	1969	1970
Customers				
Residential and Commercial	5,400	7,000	8,500	9,000
Industrial & Large Commercial	16	16	17	18
Government	345	346	346	346
Water Use (1,000 Gal/Year)				
Residential and Commercial	372,240	431,600	681,000	672,000
Industrial and Large Commercial	125,300	129,000	134,810	140,860
Government	200,000	250,000	300,000	300,000
Total	697,540	810,600	1,015,810	1,112,860

8.17 A loan totalling $7 millions has been negotiated between the Government and the United States Agency for International Development. This loan bears an interest rate of one percent for the first ten years and two percent on the unpaid balance thereafter. The Government will spend $800,000 for local costs of the project. The PUA will repay the principal and interest to Government at the rate of 3½ percent.

8.18 The following rate schedule is proposed, commencing in mid-1968:

Proposed Rates

Monrovia Water System

Minimum monthly bill including first 2000 gallons	$2.50
Per 1000 Gallons	
Next 18,000 Gallons per month	$ .85
Next 80,000 Gallons per month	.75
Excess	.60

The target at the end of the plan period is 9,000 connections.

Monrovia Sanitary Sewer Program

8.19 The present system, constructed in 1953, discharges raw sewerage into the Mesurado River and the Atlantic Ocean. It has an estimated 1,100 connections. Commercial establishments and homes not connected to this system have septic tanks, outdoor privies or no sanitary facilities.

8.20 The new Monrovia Sanitary Sewer System is designed to have an average capacity of 6 millions gallons daily (MGD), with an ultimate capacity of 24 MGD. It will include 5,000 house laterals for the present Monrovia system and extend the system to Bushrod Island and Sinkor. All sewerage collected will be treated before discharge. new system will be constructed under a loan from USAID totaling $7.2 millions. Interest charges will be one percent for the first ten years and 2 percent thereafter. The Government will spend $800,000 for local costs of the project, bringing total investment to $8 millions. The PUA will repay principal and interest to Govenment out of operating revenue at the interest rate indicated above.

8.21 The proposed sanitary sewer rates will be 60 percent of the charges for water. The plan target calls for 35 percent of the estimated 14,000 households in the system's service area being connected by the end of 1970.

Monrovia Water System Program

8.22 The present water needs of larger towns are supplied from shallow wells ranging from 10 to 25 feet in depth or from nearby streams or rivers. None of these sources are adequately protected from contamination. Poor toilet facilities are often located in the immediate vicinity of these water sources. This undersirable conditon contributes to intestinal and other diseases in these areas.

8.23 Engineering studies and cost estimates completed in towns listed below call for drilled wells, pumps, filters, treatment plant, earthwork, and required buildings. The cost estimate for each system takes the following variables into account: population, distance to and nature of water source, length of streets, height of buildings, required power supply etc. The proposed systems will supply approximately 40 gallons of water per capita daily.

MUNICIPAL WATER SYSTEM PROGRAM

City	Investment Estimate
Buchanan	$550,000
Gbarnga	250,000
Greenville	350,000
Harper	500,000
Robertsport	200,000
Senniquellie	250,000
Tchien	100,000
Voinjama	210,000
TOTAL	2,410,000

8.24 It is proposed that appropriate financing be sought during the plan for these public works projects. It is hoped that the first system can be begun in 1968

CHAPTER 9

NATURAL RESOURCES

9.1 Presently iron ore, diamonds and gold are being exploited in Liberia. During this plan period, emphasis will be laid on the detail investigation and appraisal of other known minerals with the aim to diversifying the mining industry.

9.2 The general objectives are:

(a) Continue and expand the Geological Survey program now underway.

(b) To collect basic data required for the identification and exploitation of Liberia's natural resources.

9.3 The plan goals are:

(a) provide cartographic coverage of the country;

(b) collect regular information on the country's water resources;

(c) improve the service provided to the mining industry;

(d) improve the present confused situation with regard to land ownership.

9.4 To achieve these goals and objectives the following programs are proposed:

(a) Geological Program

i) Geologic Mapping

Reconnaisance geologic mapping will be continued at scale 1:40,000 as a basis for compiling and publishing scale 1:250,000 geologic maps showing the location of known occurences of minerals. Completion of these maps is planned to take place as follows:

1967: maps covering the Voinjama and Bopolu region;

1968: maps covering the Monrovia, Zorzor and Nimba regions;

1969: maps covering the Gbarnga and Tappita regions;

1970: maps covering the Putu and Buchanan regions.

(ii) Mineral Resources Appraisal:

Favorable mineral prospects will be evaluated by interpretation of detailed mapping results, aeromagnetic and airborne radiometric surveys, resistivity surveys, geochemical prospecting and physical exploration such as pitting and trenching. Already scheduled for systematic investigation are: Kyanite in Hartford, Tin in Nimba, Base Metal in Tawalata and Bomboma, Manganese in Zorzor, and Bauxite in Karloke.

(iii) Airborne Geophysical Survey

A geophysical survey will be started early in the Plan period so that the results can be fully utilized in the current geological mapping and mineral resources appraisal program. This will result in both a saving of time and an increased accuracy in mapping and evaluation. Flying will be undertaken in 1967 and 1968 with interpretation of results in 1968 and 1969.

The efforts of both the geologic mapping and the mineral resources appraisal are supported by the U. S. Agency for International Development and this support will continue. It is expected that similar assistance will be obtained for the airborne geophysical survey.

(b) Cartographic Program

The Liberian Cartographic Service in conjuction with the 72nd Engineering Detachment of the U.S. Army Map Service will continue their joint program of mapping. Arrangements are presently being made to complete the required aerial photography. This in turn will permit the remaining geodetic and photo-classification work to be completed. The necessary photogrammetrists are being trained within the existing program.

(c) Hydrological Survey

At present there is a small hydrological Section in the Department of Public Works. Efforts will be made as soon as possible to bring about centralization of hydrological work under the Bureau of Natural Resources and Surveys, making full use of personnel, equipment and experience available at the Department of Public Works in this field.

It is proposed to set up a total of 24 stations on all main rivers to provide the basic stream flow statistics necessary for future hydrological development.

(d) Mining Service

The mining Service will carry out the following programs;

i) Improve the quality of technical services rendered to the mining industry by arranging training programs for technical assistants, field foremen and drill crew personnel.

ii) Evaluate known gold and diamond deposits and carry out an exploratory study of gold, diamond and other placers to determine original sources. To achieve this the drilling crew and survey teams will be reactivated by providing sufficient support allocations.

iii) Instruct small miners in more effective mining methods. At least one mining engineer will be stationed in each of the three major gold and diamond areas for this purpose.

(e) Cadastral Survey

Great confusion exists today in the matter of land ownership. Prospective buyers of property can rarely purchase with complete assurance that their vendors have clear title to the land in question and that there will be no conflicting claims. The causes of this situation are:

i) Absence of compulsory title registration.

ii) Absence of a co-ordinate system for land surveys.

iii) Absence of a Registration Office providing permanent record of land ownership and permitting conclusive title search.

In order to improve this situation a detailed pilot project will be worked out for the establishment of a Title Registration Office in Monrovia and a cadastral survey of 1,200 acres in the Monrovia area. External assistance will be sought for the preparation and execution of such a program. The program should include details about recommending legislative and administrative steps required, personnel training, foreign expert assistance, costs to Government and aid givers, and revenue forecasts. An appropriate system of survey and registration fees may make the program financially selfsupporting.

(f) Administration

i) Central Office

In view of the growth of the various services of the Bureau and the increase in administrative work, a new post of Assistant Director to supervise the Technical Services is recommended. The supporting administrative and clerical staff and logistic support necessary for the supervision of the expanded programs of the Bureau are also included in the projected planned expenditure.

ii) New Building

The various services of the Bureau of Natural Resources and Surveys are very unsatisfactorily housed in several buildings widely dispersed throughout Monrovia. Supporting activities such as drafting, laboratories, photography and general administration are so interelated that they could be performed much more efficiently in a single building.

CHAPTER 10

INDUSTRY AND COMMERCE

10.1 In the acceleration of economic growth, the development of industry and commerce is considered to be of great importance. Such development will contribute to the productive employment of the unemployed and will reduce the vulnerability of the economy to fluctuations in the prices of agricultural crops. It will also make a substantial contribution towards the attainment of sustained growth by the economy.

10.2 During the plan period increasing emphasis will be given to the manufacturing industry. Further steps will be taken towards the creation of the basis for a more vigorous industrial sector.

General Objectives:

10.3 The general objectives are:

a. to encourage industrialization by continuation of the Open-Door Policy which has brought spectacular progress to the country for the past two decades and also the special incentives to industries as outlined in the Investment Incentives Act;

b. to stimulate increased Liberian participation in industrial and commercial activities.

INDUSTRY

Large Scale Enterprises:

10.4 At this stage of development when adequate Liberian capital and technical know-how are not available for large-scale industries such as the steel mill, oil refinery, oil palm mills, cement plant, and textile mill, foreign participation will have to be sought for such large projects.

10.5 In addition, however, to ensure economics of scale for such projects, efforts will be continued to broaden the market through West African sub-regional economic cooperation.

Iron Ore Production and Processing:

10.6 At present Liberia's national income depends to a large extent on the mining and export of iron ore. Its importance to the economy is apparent from a comparison between the 1966 ore sales of mining companies of $118 million and the estimated 1966 gross domestic product of $275 million.

10.7 Government policy towards the exploitation of iron ore resources has been directed to: a) increased production by extending mining concessions to foreign investors on attractive terms; b) increased Government revenues from these concessions; and c) increased Liberian participation in mining investments.

10.8 As a result of this policy, production has increased over the last decade from 2 million tons in 1956 to nearly 18 million tons in 1966. The contribution of iron ore mining to Government revenue is estimated at over $8.5 million in 1966. Equity participation of individual Liberians and the Liberian Government in mining companies has become very important. In fact, one mining company is almost entirely owned by Liberian nationals and the Government. As shown in Table I, reserves are adequate relative to foreseeable levels of exploitation.

TABLE I

LIBERIAN IRON ORE DEPOSITS

	Proven Deposits	Other Deposits	Iron Content
	(Million tons)		(%)
Bomi Hills			
Direct Shipping	13	50	60^+
Mill Feed	11	50	37½
Mano River			
Direct Shipping	56	40	55^+
Nimba			
Direct Shipping	255	500	64
Bong			
Mill Feed	240	260	37½
TOTAL	575	900	

10.9 Additional deposits are currently being explored in the Putu and Wologisi Ranges, Bie Mountains and the Bassa Hills. These reserves may be compared with total African iron ore reserves estimate by the United Nations at 5 billion tons. Between the Sahara and Rhodesia the largest reserves lie in Liberia, Gabon, Guinea and Mauretania, in that order. The production of all four countries is entirely exported. In view of the intense competition in the world iron ore market, close cooperation between African and other ore exporting Countries is of the utmost importance to

Liberia.

10.10 Exploitation of new deposits in Africa, West Australia and elsewhere continue to further depress world market prices. Further, a preliminary analysis of iron ore trade statistics tends to show that the prices Liberia obtains for its ores compare unfavourably with average prices of ores of comparable quality from other sources. This situation requires further study.

10.11 Liberia's mining companies have reacted to the highly competitive situation in the iron ore market. Both LAMCO and Bong Mines have planned or started construction of pelletizing plants of 2 million tons capacity each. As shown in Table II, at the end of the planned period the combined output of these plants will reach 3 million tons and this will exceed the total increase of ore exports. Also, 8 million tons of ores now shipped in the form of concentrates will be pelletized.

10.12 The next stage in the processing of raw materials to improve the competitive position of Liberian ores may consist of the addition of flux to the pellets and, possibly later in their pre-reduction, by the addition of coke or anthracite. The value added in the latter process is in the order of $6 per ton over the price of regular pellets.

TABLE II

LIBERIAN IRON ORE EXPORTS

Iron Content (%)	1966			1970		
	Volume (million tons)	Value ($Million)	FOB Price per ton ($)	Volume (million tons)	Value ($Million)	FOB Price per ton
63-67	10.0	70.0	7.00	10.0	70.0	7.00
53-57	3.8	19.8	5.20	3.8	19.0	5.00
63-65 Concentrate	4.0	28.0	7.00	3.0	2.4	6.80
65 Pellets	-	-	-	3.0	33.9	11.30
TOTAL	17.8	117.8		19.8	143.3	

C. Steel:

10.13 The major step in Liberia's transition from a primary commodity exporter to a manufacturer of finished products will be the construction of the Buchanan steel plant.

what justification economic through the Bank studied this project last year

10.14 Important progress in the preparation of this project has already been made and it is hoped that by the end of the plan period a definite project would have emerged. Studies carried out under the auspicies of the ECA, and by the Liberian Government, proved that steel can be produced in West Africa at competitive prices and that the most economic location for a West African integrated steel plant is Buchanan in Liberia.

10.15 As a basis for seeking financing for the project, the United Nations Development Program has agreed to underwrite a complete and independent project evaluation fulfilling the requirements of international sources of credit. This study will be completed in 1967.

10.16 The proposal by Liberia for West African iron and steel Authority is of significance to the economic development of the sub-region and will be actively supported during the plan period. It is under the umbrella of such an Authority which in turn will be a part of the overall machinery for economic corporation in West Africa that a truly, rational and coordinated development of the iron and steel industry in West Africa could be achieved.

Oil Refinery:

10.17 The construction of a refinery, Liberia's first major industry creating end use products, is contemplated for private foreign financing totaling $10 million. The capacity of the refinery will be 10,000 barrels of crude oil daily, and present plans call for the production of gasoline, jet fuels, diesel oil, fuel oil and asphalt. It is scheduled to go on stream in 1968 employing 250 persons.

Textile Mill:

10.18 A German firm proposes to establish a cotton textile mill in two stages. The first stage will include bleaching, dyeing, printing and finishing imported cloth. The second stage will include spinning and weaving. Total cost is estimated at $5.5 million.

Cement Factory:

10.19 A cement clinker grinding plant with an annual capacity of 125,000 tons of cement, employing 65 persons, is to be completed in 1968 at a cost of $2 million. Production is expected to reach 100,000 tons in 1970, with a value of about $2.5 million.

10.20 Liberian participation in projects of the types mentioned above will be encouraged. Efforts will be made to interest Liberian investors in possibilities for participation in these ventures.

10.21 The development of industry depends largely on the initiative of private investors. Government will, however, give priority to the expansion of those existing industries and the establishment of those new industries which offer greatest opportunities for broader and more active participation of Liberians.

10.22 It is desirable to promote industries which develop forward and backward linkages. A complex of inter-related industries will envolve slowly. In this context, emphasis will be given to promoting industries which contribute to an inter-related industrial structure; and in particular the development of such multi-product complexes utilizing local products.

10.23 The Liberian investment climate is characterized by unique combination of political stability, free movement of capital and reasonable levels of taxation. In addition to this generally favourable investment climate the following incentives are also provided by Government:

a. Investment Code: The investment code, salient provisions of which are presented in Annex I, provides for a number of benefits to new investment projects: exemption from customs duties and income taxes, tariff protection, etc.

b. Industrial Park: An industrial park has been created to accommodate new industries. A tract of 1000 acres has been reserved for this purpose.

c. Feasibility Studies and Promotion: The Liberian Development Corporation, provides the services of economists, marketing specialists, accountants and agricultural precessing experts to interested investors for feasibility studies.

d. Credit: The Liberian Bank for Industrial Development and Investment (LBIDI) grants loans for projects up to 40% of the total capital requirements and participates up to a 25% of the equity.

This Bank will promote the development of a capital market in Liberia and will establish a small loan program for local entrepreneurs, including an accelerated procedure for obtaining loans up to $10,000. It will also contribute to the development of small industries by organizing the supply of equipment under hire-purchase arrangements.

The quality of Liberian industrial products must meet international standards. The Bureau of Standards will take such measures as are necessary to maintaining these standards.

Manpower and Training:

10.23 At present some 6,000 persons are engaged in industrial activity in Liberia. It is estimated that the manpower requirements for the expected development of the industrial sector will be in the order of magnitude of some 1200 persons.

10.24 Qualified Liberian industrial workers are needed to meet the requirements of industry. On-the-job training of workers will continue to provide the main source of trained manpower. The Division of Vocational Training in cooperation with the Bureau of Labor will evaluate those industrial training programs and make such proposal as may be appropriate for improving the efficiency of this type of training. Another source of trained manpower is the existing vocational schools. To meet the increasing demand, the educational plan provides for an expansion of formal training in this area, where possible, with assistance from external sources.

COMMERCE

10.25 The open Door Policy which has succeded over the years in attracting foreign investment into the commercial sector of the economy will continue, but the role of Liberian in the commercial life of the country should be increased. Liberian businessmen have a vital role to play in the development process. Therefore, steps will be taken to overcome obstacles which have hindered the entry of Liberian into commerce.

10.26 The Liberian Bank for Industrial Development and Investment will extend credit to Liberian businessmen on terms more favourable than those provided by commercial banks. Technical advice will also be made available.

10.27 The law prohibiting foreigners as commercial carriers in public transportation will be vigorously enforced to ensure Liberian ownership and control. Measures will be taken to reserve other specific activities for Liberian citizens.

COST

10.28 The public activities proposed in commerce and industry are largely a continuation of work already being carried out by existing agencies: the Department of Commerce and Industry, the Liberian Development Corporation, and the Liberian Bank for Industrial Development and Investment.

10.29 Allocation for incentives to commerce and industry during the plan period will be as follows: 1968 - $50,000; 1969 - $50,000; 1970 - $100,000. This will support such additional programs as may be developed for the promotion of industry, feasibility studies, training of Liberian Industrialists and activities related to the Industrial Park. Foreign aid will be sought to supplement these funds.

INDUSTRY AND COMMERCE

ANNEX 1

EXTRACTS FROM THE INVESTMENT INCENTIVE CODE

10.30 Section 3 Application of this Act.

(1) Incentives may be granted to persons, partnerships, corporations or other entities undertaking new investment projects in Liberia.

(a) to process fabricate or assemble raw material and/or semi-finished products into commercial products;

(b) to engage in other production activities such as agriculture, logging and fishing and investing money, credit, machinery, equipment or other assets toward establishing the facilities for the purposes mentioned in (a) and (b) above.

(2) An Investment Incentives Contract shall be granted only in respect of those projects or industries specified in sub-Section (1) of this Section, after taking into account priorities established by the National Planning Agency, which can be expected to contribute effectively to the economic development of Liberia.

(3) All persons or entities seeking tax or other privileges as incentives for new investment in Liberia shall do so under this Act, provided that all rights and privileges which have been granted to enterprises doing business in Liberia prior to the enactment of this Act shall remain unaffected by the operation of this Act.

(4) An Investment Incentives Contract shall be negotiated by the Government of Liberia with the sponsor or sponsors of a New Investment Project.

10.31 Section 4. Tax Benefits.

(1) Enterprises that are granted Investment Incentives Contracts shall be entitled to the following tax benefits with respect to the Approved New Investment Projects:

(I) construction materials - exemption from customs duties, tax levies and other charges except consular fees on approved imports of machinery and equipment, construction materials and supplies necessary for the provision of facilities for the enterprises:

(II) raw materials - exemption from customs duties, tax levies and other charges except consular fees on raw, semi-processed or processed materials required in the manufacture of articles in respect of which the New Investment Project has been approved, for a period of five years from the first importation.

(b) Exemption from income taxes:

(I) exemption from taxes on income derived from an Approved New Investment Project for a period of five years from the first year of marketable production, as determined by the Government.

(II) Approved New Investment Projects involving substantial new investments with prospects of large direct benefits to the Liberian economy may be granted exemption from taxes on income derived from the Approved New Investment Project for a period of five to ten years from the first year of marketable production as determined by the Government. In the case of agricultural projects special consideration shall be given to the length of the period required to reach production as well as the size of the investment.

10.32 Section 5. Additional benefits.- The following additional benefits may be made available at the discretion of the Government, upon application by the sponsor or sponsors of the Approved New Investment Project.

(a) the lease of available land for plant space in any government-owned industrial park at a preferential rate established for the rental of such land during the term of the lease;

(b) the securing of loans contribution of equity capital, guarantees, under-writing services or other technical assistance made available by any agency of the Government of Liberia;

(c) Tariff protection subject to approval of the Legislature and the enactment of reasonable excises on all commodities that are subject to such tariff protection. The amount of such excises shall be enacted by the Legislature in the determination of tariff protection, for a period deemed necessary to establish normal production and markets.

The Government shall use its best efforts to expedite the issuance of entry and exit permits, working permits and permits of residence to all foreign personnel, including foreign managerial, technical and skilled personnel in such numbers and for such periods as may be necessary. Personal effects may be brought into Liberia by such personnel free of duty for period of six months following entry to take up residence or repatriated free of duty upon termination of employment.

10.33 Section 7.- Application procedures.-Applications for Incentives shall be addressed to the Secretary of Commerce and Industry in a prescribed form, with copies for the National Planning Agency and the Treasury Department. The application shall include the following information:

(a) Name, address and biographical data of the sponsor or sponsors.

(b) Banking references.

(c) Organization and domicile of the sponsor's business.

(d) Detailed description of the investment project, including the nature of the business; proposed general location; date proposed for commencement of operations: volume and types of products or services to be supplied; land, buildings and machinery required; materials and labor required, and their proposed source of supply; total investment projected for the first five years of operation; and initial amount of capitalization, classified by class of stock and other obligations.

(e) Additional benefits requested of the Liberian Government under Section 5 of this Act.

(f) Tariff protection, if any, deemed necessary, indicating estimated costs of production, relatiohship to current import prices and other relevant information, in accordance with guidelines established by the National Planning Agency.

(g) A technical and economic feasibility report in accordance with guidelines established by the National Planning Agency.

CHAPTER 11

EDUCATION AND SOCIAL WELFARE

11.1 Physical facilities for education have expanded rapidly in recent years. Complementary ingredients of an improved educational program, such as teachers, educational materials and suppliers have not kept pace with the expansion in physical plan. Though the need for physical facilities is still great, emphasis in this plan period will be placed on improving the qualitative aspects of the educational system.

11.2 Planning for this qualitative improvement requires adequate and reliable statistical data. Though much progress has been made in this field in recent years the inadequacy of the statistical base was a limiting factor on the planning effort for this sector. For effective planning, this inadequacy of data has been further complicated by a lack of an appropriate categorization within the Department's budget. The budget categories presently used make it impossible to cost individual programs or levels of education. Thus, the educational plan described in this chapter is, to a large extent, merely an identification of qualitative problems and policy recommendation for their solution. It is proposed that the required data for the sound planning of this aspect of the educational system be collected for use in the elaboration of the detailed programs.

General Objectives

11.3 The general objectives are:

a) Achieve universal primary education.

b) Achieve a balanced national educational system within which the expansion of the different levels of education are appropriately linked.

Plan Goals

11.4 Major plan goals include:

a) Intensify efforts to improve the collection of data required for educational planning.

b) Emphasize qualitative rather than quantitative improvements in the educational system.

c) De-emphasize public pre-school education..to release teachers and facilities for higher priority levels of education.

d) Make special provision for average students in primary school, tailoring special accelerated classes to their particular needs.

e) Consolidate small junior high schools to increase teaching efficiency and economy of operation.

f) Double secondary school enrollment by 1970.

g) Procure appropriate textbooks at more reasonable cost.

h) Increase local scholarships, while emphasizing graduate level training in the case of foreign scholarships.

Programs:

11.5 The estimated number of teachers and enrollment at the various levels at the beginning and end of the Plan is shown in Table I. Major programs during the Plan period are:

Pre-School Education

11.6 At present there are about 21,000 children enrolled at this level, of whom about 80% are in Government schools. This category include kindergarten for children four to six years of age and pre-grade classes for children of school age who have not acquired the knowledge of the English language.

11.7 Evidence has amply shown that for the latter group it is possible for them to enter the first grade directly without being handicapped academically. It is therefore recommended that all children starting school at the age of six or older, be placed in the first grade.

11.8 There is no evidence that kindergarten or other pre-school experience has an effect on performance in later grades. Therefore, considering the limited resources and the heavy educational responsibility of government at this time, it is recommended that this level should be undertaken by private efforts. However it is proposed that the program should not be closed down abruptly, but that it be gradually phased out by not accepting additional enrollment. In this way the government program could be completely eliminated during the plan period, with buildings and teachers made available for such other educational purposes as may be considered appropriate.

Elementary Education

11.9 There are about 800 primary shools - grades one through six - with an enrollment of about 64,000 pupils. Enrollment at this level is expanding spontaneously at the rate of between 7 and 8% per annum. This rate will almost certainly be maintained at least through 1970 and it is recommended that no action be taken for increase over this rate. Emphasis, rather, will be placed upon improved quality of elementary education.

TABLE I

ENROLLMENT AND TEACHERS BY LEVEL

	1966		1970	
	Enrollment	Teachers	Enrollment	Teachers
Primary Education	85,000	2,600	106,000	2,790
Kindergarten and Pre-School Education	(21,000)		(10,000)	
Elementary Education	(64,000)		(81,000)	
Over-Age Student	-		15,000	
Secondary Education	9,576	460	15,200	550
Junior High School	(6,000)		(8,000)	
Senior High School (Gen.)	(2,400)		(5,500)	
Technical & Vocational	(900)		(1,200)	
Teacher Training	(276)		(400)	
Home Economics	-		(100)	
Higher Education	797	104	1,600	150
University of Liberia	(540)		1,200	
Cuttington College	(214)		350	
Our Lady of Fatima	(43)		50	
Grand Total	95,373	3,164	122,800	3,470

11.10 The primary level of education serves as the first rung of the educational ladder. The very wide range of age distribution at this level presents administrative as well as psychological problems to the over-age pupils and teaching and disciplinary problems to the teacher sufficient to warrant a division in the level. It is therefore recommended that the primary level be divided into two main streams according to age groups: (1) the regular primary school with pupils not more than three years older than the age requirement for their grades; and (2) over-age primary school with pupils more than three years older than the age requirement for their grades.

11.11 The older students would receive basic primary education, supplemented by learning a craft, and the course would last 4 to 5 years. This would be long enough for the more matured over-aged pupils to complete the equivalent of 6 years of regular primary education, and to pass the national examination. Those who did not wish to continue to secondary education would have competence in literacy and useful skills. It is anticipated that most of the instruction would be carried out by the regular primary school teachers, usually during afternoons and evenings.

Secondary Education

11.12 The secondary level of education serves as the main source for our skilled manpower supply. Upon secondary education depends the country's stock of professionally and technically trained persons, and indeed of educated and competent citizens.

11.13 In view of the wide variation in the standard of our schools, it is recommended that the junior high school level provide general academic training with vocational exposure, as was originally intended, and that the senior high school level be diversified to provide four main streams: (1) general academic, (2) technical and vocational (including nursing), (3) teacher training, and (4) home economics. As a means of facilitating such a diversified system, appropriate selection will be necessary on completion of the junior high level. This will therefore necessitate an expansion and strengthening of the testing and guidance service.

11.14 In order to maintain the required enrollment level in secondary education and in particular to ensure a flow of qualified students through to senior high school, it will be necessary to take vigorous steps to reduce the drop-outs rate in the primary level onwards. Increased provisions for local scholarships are essential for this purpose. It will be necessary also to ensure that curricular offerings as well as textbooks and other educational materials are appropriate in character and quality, and adequately distributed. School libraries and laboratories must be provided if both arts and sciences are to develop. Facilities for learning foreign languages, particularly French, must be improved.

11.15 The possibility of furnishing hostel facilities to county high schools for some of the graduates from the distant feeder schools should be considered. During the plan period, it might be advisable to provide such hostel facilities on an experimental basis to selected high schools. Finally, it must be emphasized that a supply of dedicated, well educated, and well trained teachers is the most important factor making for the health and efficiency of secondary education. It is therefore recommended that the institutions of higher education play an increasing part in teacher education.

11.16 The addition of senior high school grades to junior high schools should be limited to schools meeting certain criteria in terms of adequate enrollment and facilities. For example, unless there are sufficient feeder shcools in the area to ensure an enrollment of at least 25 for every additional class, the school should not be permitted to expand.

Higher Education[1]

11.17 There are three institutions of higher education in the country, the University of Liberia, Cuttington College and Divinity School, and Maryland College of Our Lady of Fatima. Their combined enrollment is presently about 800. Efforts will be made to increase this number to 1,600 of which 1,200 will be at the University of Liberia, 350 at Cuttington College, and 50 at the College of Our Lady of Fatima. However, important as is increased enrollment, it is of less ultimate significance, and indeed is largely dependent on an improvement of quality. This is more important than an ambitious building program and the development of new departments and faculties. It is recommended that the University of Liberia in particular should not expand its offering during the plan period, but should concentrate on doing better what it is already doing well.

---

[1] The proposed plan for the University of Liberia is currently being prepared and will be considered for incorporation in the Plan when received.

11.18 There are two interdependent elements in creating and maintaining high standards: teachers and students. Good teachers are attracted and retained by conditions favorable to carrying out their academic work. Generally, these include: high standards of student ability and interest; adequate libraries, laboratories, research assistance, and study leave necessary for scholarly pursuits; conditions of service (salary, retirement and other fringe benefits) competitive with those of other types of employment.

11.19 The students, of course, respond to the teachers, but it is important to ensure that the best students are admitted and retained. Adequate provision of local scholarships, loans, and hostel facilities are essential to prevent the loss of good students through financial difficulties. A further element in the retention of good students is the policy affecting foreign scholarships. At present there is excessive reliance on foreign institutions, and because of the strong urge by students to obtain foreign scholarships the local institutions are drained of their best students. The quality of the output and the image of the local institutions are thereby reduced. In view of this, it is recommended that only in areas where training is not available at local institutions should scholarships be offered for undergraduate work at foreign institutions. It is further recommended that the total cost to Government of foreign scholarships be reduced by increasing the use of bi-lateral and other arrangements, without necessarily reducing the number of students studying abroad. The level and type of studies, and the country in which they are pursued by those awarded foreign scholarships, should be carefully selected in order to bring the greatest advantage to the nation by providing the most needed types of manpower.

11.20 It is desirable that the university and colleges play an increasing role in the preparation of secondary school teachers and should in fact double their present output during the plan period. For the planned expansion of education, these will be needed in increasing numbers, and, if the country is not to rely even more than at present on foreign teachers, greater efforts must be made to train them in Liberia. It is recommended that while the teacher training institutes concentrate on preparing primary school teachers, the institutions of higher learning should establish courses for the training of junior high school teachers. These should be two-year courses, primarily for experienced teachers who have completed training at the teacher training institutes. Such an arrangement has proved highly satisfactory in various other African countries. The arrangements for training of teachers for the senior high school level should continue as at present, but at least the enrollment should be doubled. The institutions of higher education also have an important role in strengthening the productive capacity of the nation's manpower resources through the provision of appropriate evening classes.

11.21 In the final analysis, since the university and colleges constitute the apex of the educational system, it is only fitting that their products should be pre-eminent in the service of the nation. In some countries the award of the degree is contingent upon completion of a period of one or two years of national service as a teacher, or in some other socially-significant capacity. Such an arrangement would not only have practical value for the educational system, but would inculcate the ideal of service in the flower of Liberia's youth, and do much to promote national integration.

Adult Education

11.22 Besides imparting literacy, the emphasis will be on improving workers' skills or teaching them new skills. The program will be related to the immediate environment of the learner. Thus, one type of program will be developed for those working in the subsistence sector and another for those employed in the cash sector of the economy. The adult education center at Klay will be reactivated.

Measures to Improve the Quality of Education

11.23 Although considerable progress has been made the standards of education need to be raised considerably further. Consequently, the following suggestions to imrpve the quality of education are made:

(a) Textbooks: Provision of textbooks to all teachers and pupils is absolutely essential. Besides, the books must be relevant to Liberian conditions. Adaptation of foreign textbooks as well as books specially written for Liberian pupils is necessary.

Furthermore, the cost of textbooks must be reduced to bring it within the means of individual pupils or the Government of Liberia. Similarly, funds must be provided for other types of instructional materials and classroom equipment.

(b) Building: A lower priority has been accorded during the plan period, to construction of new primary schools. At the secondary level, however, the building of schools in selected areas as well as the establishment of five pilot schools with some crafts has been given higher priority. High priority is also placed on renovation of existing school building or buildings used for schools.

(c) Teachers: Measures for improving both the academic and professional qualifications of teachers include:

i) improvement in the salary scales of teachers commensurate with improved qualifications;

ii) arrangements for in-service training at the teacher training institutes, the adult education center at Klay, and, for special subjects, at the University of Liberia;

iii) provision of foreign scholarships for secondary teacher of science and mathematics;

iv) an additional year at B.W.I. for vocational teachers;

v) introduction of team teaching techniques.

(d) Scholarships: Larger provision for local scholarships must be guaranteed by a suitable decrease in the amount now provided for foreign scholarships. (The rationale of this approach is discussed above in the selection dealing with higher education).

Administration and Supervision

11.24 An adequate number of professionally qualified supervisors, assistant supervisors, inspectors and directors will be required to ensure the implementation of the policies in this plan and that the system grows and functions properly. Accordingly, the institution of an inspectorate has been recommended, one inspector to be responsible for 45 schools and three inspectors to be responsible to one assistant supervisor. It is anticipated that each school will be inspected at least once each semester. It would also be desirable to reorganize the Department to ensure greater coordination among all the divisions working at the same level of education or engaged in similar activities.

11.25 Emphasis will be placed on the regular flow of information particularly data required for effective planning.

Supplementary Services

11.26 Suitable emphasis must be laid on supplementary services such as testing, guidance, data collection and programming. It is necessary to provide these supporting services with qualified personnel and adequate funds.

Cultural and Other Programs

11.27 More attention than at present should be placed on cultural and other programs of the Department, including physical education, sandi and poro Culture, cultural exchange and public libraries.

Planned Allotment for Education

11.28 It is proposed that $29 million be alloted to education for both development and non-development programs over the plan period representing an increase of $9 million, for the four year period, over the present level of expenditures. This total allotment makes provision for anticipated increase in enrollment and provides additional resources to achieve the necessary improvement in quality. The tentative annual breakdown of this total allocation is: 1967 - $6.3 million; 1968 - $6.8; 1969 - $7.5 and 1970 - $8.3. Within the limits of the total allocation programs to implement the policies specified in the previous sectinns will be prepared and executed.

SOCIAL WELFARE

11.29 The provision of social welfare services appropriate to the available resources of our developing economy requires careful consideration of: (a) Liberia's traditional solutions for meeting personal crises and (b) the areas of highest priority in terms of the nations development objectives. In Liberia, family and tribal relationships have traditionally made provision for the aged, the physically handicapped, the orphan child, etc. The effectiveness of this solution should not be underrated for it will carry the major burden of social welfare activities for a number of years to come.

11.30 As the pace of development increases, population moves toward the cities, employment opportunity in industry and concessions encourages abandonment of relatively stable village life, families are often separated and individuals and groups confront new conditions with which they are not fully able to cope.

WELFARE SERVICES

11.31 The emergence in Liberia of voluntary private welfare activities, supplemented by public subsidy, was a logical and practical adjunct in areas of social welfare needs where the impact of rapid growth and related economic and social change had disrupted traditional solutions. Formal private voluntary welfare services include: a Child Welfare Center, Refuge Home for the aged, a Boy's town, the Liberian Red Corss, a Mental institution, a School for the Deaf and Dumb, and food distribution programs. Most church and mission groups also provide varied and limited welfare services.

11.32 Government social welfare programs include: youth organizations, rural home economics.

11.32 During the Plan efforts will be made to coordinate the activities of all of these on-going social welfare services and plan for an expansion of services consistent with highest priority needs and available resources. As a first step in the implementation of this objective, a Division of social welfare will be established within the Department of Education to make recommendations to Government regarding social welfare problems, coordinate activities of public and private welfare services, make recommendations on the most effective use of grants and subsidies to private welfare services, and seek increased international financial support of priority welfare activities such as training of welfare workers. This Division will also design and begin to implement a specific national social welfare programs consistent with available resources, giving special attention to improving existing institutions in the fields of family and child welfare, protection and assitance. An appropriate staff using competent personnel already employed in Government will be provided and strengthened by inservice training.

11.33 The program of work for this Division in the first two years of the plan will include:

a) Collection of information on welfare activities of the nation, private and public, leading to a roster of Welfare services, resources, professional skill available and required, etc.

b) Promote meetings between organizations active in welfare activities, including sources of external aid, for the purpose of considering social welfare priorities, resources available, ongoing programs, as well as the promotion of increasingly coordinated social welfare efforts.

c) Review Government grants and subsidy to voluntary private welfare activities for the purpose of suggesting measures to increase the scope and impact of these important services.

d) Seek to arrange appropriate training and externally financed scholarship for qualified candidates interested in social welfare administration.

11.34 Before the end of the second year of the Plan the social welfare Division will make detailed recommendation to Government for a program adjusted to national needs and resources.

11.35 The new Social Welfare Division will operate within the budget of the Department of Education using existing personnel and available support.

CHAPTER 12

HEALTH

12.1 Better health and longer life-spans clearly increase human capital. Investment for health promotion and protection constitutes an essential part of any development plan. To the extent that health activities promote an expansion of output, outlay on these services should be regarded as investment. For example, the control of malaria makes available more manpower for production, and thereby increases output.

12.2 In recognition of these facts, a Ten-Year National Health Plan (1967-1976) was prepared, with financial support from the United States and technical assistance from the World Health Organization. This chapter of the present Economic Development Plan incorporates - to the extent that available resources permit - the first four years of the ten-year plan.

Health Facilities:

12.3 The following summary description of national health facilities and services is taken from the above mentioned Ten-Year National Health Plan: Medical care is available from three sources: the Government, large private companies and religious organizations. These operate hospitals, out-patient departments and health clinics.

12.4 Hospitals: At the end of 1965, the Government operated fifteen hospitals, private companies ten, and religious missions five, with 2160 beds. In addition, there were five private nursing homes with 40 beds, making a total of 2,200 beds. Based on the estimated population of 1,016,000 the ratio of beds was 1.9 per thousand persons.

12.5 The highest bed ratio of 3.9 per thousand persons was in Montserrado County. The lowest bed ratio of 0.17 per 1,000 population was in Grand Gedeh, next came Bong with 0.38, followed by Grand Bassa with 0.61. Except in the Monrovia General Hospital and the specialized hospitals, there was no clear demarcation of the beds used for various specialities. These beds vary according to the type of patient admitted.

12.6 In 1963-1964, statistics of patients admitted to hospitals and treated as out-patients was supplied by eleven Government hospitals with 745 and eight non-Government hospitals with 561 beds. In the eleven Government institutions, 10,171 patients were admitted, and in the eight non-Government hospitals - 16,002. The number of patients discharged in the Government institutions was 9,031 and non-Government institutions - 15,211. The deaths in the Government institutions were 474 and in the non-Government institutions - 873. The patients' days in hospital in Government institutions were 214,586 and in the non-Government institutions - 175,197. The bed occupancy varied in Government institutions from a low of 12.5% in Bensonville District Hospital to 133% in the Tuberculosis Hospital, Congo Town. In non-Government institutions, the percentage of bed occupancy varied from 50% in African Fruit Company Hospital, Sinoe, to 100% in Firestone Hospital, Cavalla. The average length of stay of patients in the Tuberculosis Hospital was 310 days and at the Psychatric Centre, 129 days. In the Monrovia General Hospital, it was thirty-three days. In non-Government institutions, it varied from 5.1 days in the Methodist Hospital, Ganta, to 14.3 days in Firestone Hospital, Harbel.

12.7 Clinics: In 1965, there were 154 health clinics, ninety-three provided by the Government, forty-six by private companies and fifteen by missions. In addition to these clinics, the ratio of clinics to population varies considerably. In Montserrado County there was one for 3,645 people, in Grand Bassa, one for 16,400 people. For the country as a whole, there was one health clinic for 7,000 people. The clinics operated by private companies and missions are well organized and well patronized. The clinics conducted by the Government are of varying standards. The best organised and staffed is the Public Health Clinic in Monrovia.

12.8 Professional Staff: There are ninety doctors practising in the country. Of these, fourteen are Liberian Nationals. Thirty-nine doctors were working in Government service, twenty-eight at the Private Companies, including two doctors working at the Liberian Institute of Tropical Medicine, eight in the missions and fifteen in private practice. Of the fourteen Liberian doctors, thirteen were in Government employment and one in private practice. The cadre of doctors in Government service was forty-six. Of those, forty-four posts were for clinical work, and two for administration. There were seven vacancies in the Government service. These posts were filled during the first half of 1965, bringing the total number of doctors in Liberia to ninety-six.

12.9 The ratio for the whole country was one doctor for 11,300 people. The ratio for the counties varied considerably from one doctor for 4,243 in Montserrado County, to one doctor for 32,082 in Bong County. In Montserrado County, there is a greater concentration of Government doctors because of the specialized nature of the medical institutions existing in Monrovia. There were fifteen private practitioners in Montserrado County, fourteen of them were in Monrovia and only one was practising outside the city, in Kakata. There were no private practitioners in the rest of the country.

12.10 In 1965, there were fifty Liberian students studying medicine on Government, W.H.O. and foreign Government scholarships, and four students financed by religious missions, making a total of fifty-four students. Twenty-two were studying in Germany, thirteen in Italy, eight in the U.S.A., two each in Israel, England, Switzerland, Puerto Rico, and one student each in Belgium, France and Spain. These students are due to complete their studies and graduate between 1965 and 1972. It is not known when the remaining eight are likely to graduate. The number of students studying medicine privately is not known. Allowing for wastage, and also for extension of the training period, it is estimated that forty Liberians would graduate by 1974. In 1964, there were fourteen dentists in Liberia. Ten were employed by the Government, one of whom was engaged in administration, one was employed by the concessions and one by the missions. Two were in private practice.

12.11 The Health Department had in its employment two hundred and eleven qualified nurses, eighty-eight practical nurses, and two hundred and twenty nurse-aides and dressers. The number of qualified midwives in employment was forty-six, eight of whom were nurse-midwives, and twenty-one auxiliary midwives. There were ten X-ray technicians employed by the Department. The Government had conducted training courses for X-ray technicians, but these are no longer held. However, in 1964-1965, there were no students in training.

12.12 There were six senior and thirty junior laboratory technicians and five laboratory helpers working in the Service. Of the six senior technicians, three have been trained in the U.S.A. where they have obtained a B.S. degree in medical technology. The other three have completed laboratory technician courses in Liberia, Switzerland and Holland. The junior technicians constitute the majority of the laboratory staff.

12.13 There are fifty-nine posts of Public Health Inspectors in the cadre, including those in the supervisory grades. In 1964, there were fifty-six in employment. Fourteen of them were engaged in urban sanitation in the Commonwealth of Monrovia. The other forty were engaged in community sanitation in other cities and the rural areas.

12.14 Preventive Medicine -- A malaria control program is carried on with WHO support. The incidence of active yaws has been reduced from 30 percent a decade ago to .8 percent at the beginning of the plan period. This successful campaign was carried on with the cooperation of the WHO and UNICEF.

12.15 Prior to the present Plan emphasis in health had been placed on providing central health facilities in each country, and the development of readily available rural health facilities proceeded at a slow pace. During the present plan period, in addition to the completion of the National Medical Center and renovation of existing hospitals and clinics, increased focus will be given to preventive medicine through rural based health units supported by a combination of Government and local initiative. Administration of the national health program will be reorganized and decentralized in keeping with this new focus.

General Objectives

12.16 The objectives in the field of health are:

a. To provide balanced and efficient health services, preventive and curative, to all citizens.

b. To coordinate the efforts of all medical services, including voluntary agencies and concessions, in support of the national health program.

Plan Goals

12.17 The plan goals are:

a. To provide physical facilities adequate to meet the demand for curative medicine through the renovation of existing facilities and the completion of the National Medical Center.

b. To lay the groundwork for an expanded preventive medicine program, especially in the fields of malaria control and care for infants, children, expectant and nursing mothers.

c. To carry on an educational campaign designed to maximize the impact on health of such programs as the new water and sewer systems to be constructed during the plan period.

d. To enforce the labour safety and health code and to prevent industrial injuries and occupational deseases.

e. To provide for the training of medical personnel at two standards, the professional at international standard and the auxiliary at "demand requirements of the country".

f. To re-organize and strengthen the Administration of the National Public Health Service.

Programs

12.30 The major activities during the plan period include:

a. The John F. Kennedy Medical Center will be completed early in the plan period and will provide medical and surgical facilities for treating 4,000 in-patients and 90,000 out-patients per year. In addition, it will train or retrain 90 paramedical technicians annually.

b. The Monrovia-Turino Medical School was established in 1966 with the assistance of the Vatican which provided the buildings and that of the Medical Faculty of Turino which supplies the teaching staff. In the first year of the Plan some 35 students will take pre-medical training and in 1968 full medical training will begin. The school can accommodate an enrolment of 70 students. The curriculum consists of 2 years pre-med, 5 years medical and 2 years at the Medical School of Turino University.

c. Improvement of existing facilities through repair and renovation of hospitals and clinics, provision of more adequate equipment and supplies and through in-service training for present manpower.

d. Strengthening of the administration of medical service through a reorganization which will include the setting up of two bureaux - one for medical services, and the other for public health, each headed by an Assistant Director General. In addition, a Deputy Director General for Technical Affairs will be appointed, a unit to control the procurement and distribution of medical supplies, etc. will be established and other personnel under the reorganization necessary to provide for efficient operation will be obtained.

e. Under the preventive programs emphasis will be on the Basic Health Services project which has as its main objective the eradication of communicable diseases. This program, in essence, will consist of the mass immunication and prophylactic measures for the prevention of diseases, such as malaria, small pox, yaws, etc., and as such will incorporate other on-going preventive measures, such as, the National Malaria Pre-Eradication project and the Yaws Control project. A pilot project will start in Bong County in 1967.

Professional Manpower

12.19 At present there are 100 physicians serving the nation's medical needs, approximately one for each 10,000 inhabitants.

12.20 Additional manpower requirements for the plan period are given in Table I. Of necessity expatriate personnel will continue to be employed until Liberians can be trained. However, an attempt will be made to effect this change as rapidly as possible. In this connection, there is an essential need to gear the scholarship program for these personnel to more specifically identified needs. It is hoped that by 1970 sufficient Liberian medical graduates will be available to staff the Public Health Service, although foreign specialists will still be required. Meanwhile, training of other technicians will continue at the Tubman National Institute of Medical Arts and the John F. Kennedy Memorial Hospital.

TABLE I

Requirements for Additional Professional Manpower

Specialists	1967	1968	1969	1970	Plan Total
Epidemiologist		1			1
Public Health Administrators (County Director of Health)	1	2			3
Paediatrician			1		1
Bacteriologist			1		1
Malariologist			1		1
Anaesthesiologist				1	1
Assistant Directors General	3				3
Medical Hospital Administrator				1	1
Dental Surgeon				1	1
Junior Doctors	1	1	1	1	4
Senior Staff					
Statistician			1		1
Health Educator		1			1
Senior Lab. Technician			1		1
Superintendent Public Health Inspt.		1	1	1	3
Junior Lab. Technician	1	2	1	1	5
Assistant Pharmacist	1	2	1	2	6
Microscopist			1	1	2
Special Grades					
Medical Assistants		2	4	6	12
Health Assistants			20		20
Nursing Staff					
Superintendent Public Health Nurse				1	1
Nurse Tutor				1	1
Graduate Nurses	5	1	6	6	18
Graduate Midwives	2	2	1	3	8
Practical Nurses	8	5	7	10	30
Auxiliary Midwives	5	7	6	6	24

Cost Estimate

12.21 The annual costs of the public health program are summarized in Table II.

TABLE II

COST OF HEALTH PROGRAM
($000)

	Proposed Budgetary Appropriation				External Financing				Plan Total
	1967	1968	1969	1970	1967	1968	1969	1970	
J. F. Kennedy Medical Center									
Capital	450	150			3283	694			4577
Operating	47	343	640	660					1690
Monrovia-Turino Medical School									
Capital[1]									
Operating	19	101	170	263					553
Basic Health Services Project									
Capital	20	21	21	22					84
Operating	23	27	29	32					111
Renovation of Hospitals & Clinics									
Capital	17	29	59	82					187
Administration Building	-	40	25	25			225	225	540
All Other Activities	2804	3017	3308	3303					12432
TOTAL	3380	3728	4252	4387	3283	694	225	225	20174

[1] Buildings already completed at Vatican Expense.

CHAPTER 13

HOUSING, BUILDING AND PHYSICAL PLANNING

13.1 It is intended, during this plan period, to take the preliminary action necessary to build up an effective structure for the implication of housing, building and physical planning programs.

13.2 Within the construction industry, urgent special needs may be identified with regard to private housing and public buildings. The resolution of bottlenecks in these two areas is imperative.

13.3 Increased urbanization is resulting from accelerated development. Nevertheless, the typical citizen has virtually no access to credit from existing banking institutions. Such limited credit as might be available in short-term and at high interest. It is estimated that an annual investment on the order of $7 million is made in private housing. This construction is largely financed out of current income. The average citizen builds in modest stages by reducing his expenditures on consumption items, including food, and semi-durables. Such laudable individual initiative can be greatly helped by sound policies and programs. These would support action in such fields as credit and finance, cost reduction, including land and land development, the stimulation of building skills and the greater use of inexpensive local materials.

13.4 At present, the Government spends in excess of $800 thousand annually for the rental of public buildings. In many cases such rented facilities are inappropriate and detrimental to effective Government operations. There is an urgent need to evolve a long-term public building program, under reasonable financing.

13.5 General Objectives The general objectives of public activity and initiative in the housing and building fields include the following:

1. - To meet housing needs generated by the increasing pace of development through the encouragement of an active and efficient private building industry.
2 - To aid and encourage Liberian investors and craftsmen to take a more active role in the national building industry, including the local manufacture of building materials and supplies.
3 - To seek to substitute the costly rental of inadequate Government office facilities through a long-term construction program for Government office buildings.

13.6 Housing projects should be economically viable. In the event of unpredictable natural disasters, however, the Government may extend loan guarantees and/or subsidy to provide emergency housing for affected citizens, as a social welfare function.

13.7 The Plan Goals are:

a - The National Housing Authority (N.H.A) will be activated, with substantial external assistance. The activities of the N.H.A. will be based, in this plan period, on the results of a full analysis of the demand for urban housing. The Authority will place priority on identified activities destined to eliminate bottlenecks in the development of a dynamic local housing and building industry.

b - Special efforts will be made to increase the use of local materials in the construction industry, as well as to introduce new materials offering increased economy to the industry.

c - A public building program will be developed and implemented to subsistute costly rental of inadequate office facilities through a long-term public building construction program. Priorities in this program will be based on identification of facilities meriting highest priority in terms of improved efficiency of Government operations. The scale of the program will be determined by the economy to be realized from applying current rental payments to the financing of appropriate construction projects.

13.8 Plan Programs To more fully exploit the contribution which housing and building can make to economic and social development, the National Housing Authority, created by the Legislature on April 7, 1960, will be activated and progressively staffed. The already substantial commitment of private and public resources to housing and building merits the support of a carefully selected and trained professional staff dedicated to the development of national housing and building policy.

13.9 Housing credit, development or improvement of local building materials, the planned acqusition of land permitting orderly and economic housing development will be among areas of priority interest.

13.10 During the Plan the National Housing Authority will concentrate on measures promoting an active and profitable private housing and building industry able to meet effective demand for houding. The activation of such a national body is not a task to be underestimated. Creating such an institution, staffed by competent professionals in such varied fields as engineering, urban planning, finance, and economics is a major long-term project. First steps to be taken include:

1 - Enlist support of the United Nations Special Fund and or other interested sources of external aid in establishing a National Housing Authority. Such support would include provision of scholarships and training, and expert staff. Professional manpower is needed initially in the following fields:

- A housing economist experienced in the analysis of housing markets and finance.
- Short-term experts to consider more detailed problems related to local building materials, craft training, etc.

2 - A team of foreign and local technicians would work initially with the Bureau of Physical Planning, a joint

effort supported by the Department of Public Works and the Department of Planning and Economic Affairs. The group form the nucleus of the staff of the National Housing Authority when it is activated.

12.11 By mid-plan (December, 1968) based on the study, analysis, and recommendations of the cooperating technicians, the National Housing Authority will be organized and activated to carry out priority functions. Tentative allocations have been made for 1968, 1969 and 1970 for the operation of this new institution.

Table I

Budget Estimate

National Housing Authority
($000)

[illegible]	1968	1969	1970
General Overhead	20	35	45
Technical Assistance Cash Contribution	15	20	25
TOTAL	35	55	70

13.12 Public Building Program The goal of this program is to achieve better public facilities and economy through the alternative use of Government revenues now used in the rental of public office space. Such revenues would be used to permit the long-term financing of an appropriate public building construction program.

13.13 Responsibility for the analysis leading to such a program is placed initially with the Bureau of Physical Planning of the Department of Planning and Economic Affairs. On the activation of the National Housing Authority this responsibility could be passed to that institution.

13.14 With appropriate assistance from other Departments of Government, the Bureau of Physical Planning will first determine office requirements now being met through rental agreements. It will estimate the scale of program which might be developed through the alternative use of rental payments and suggest criteria for the identification of highest priority public building needs. It will provide such additional information as it feels necessary to permit a policy decision on the proposal.

13.15 The Department of Planning and Economic Affairs will make its recommendations to Government on or before June, 1968. The cost of this activity will be covered by the ordinary budget of the Department.

13.16 Physical Planning The purpose of physical planning is to provide a basis for the most advantageous use of land and other physical resources. At present this involves two Government organizations:

(1) Physical Planning Bureau of the Department of Planning and Economic Affairs, which is concerned primarily with spatial/locational matters; and

(2) Division of Planning and Programming of the Department of Public Works, which deals in the main with the various aspects of urbanization.

13.17 General Objectives The general objectives of physical planning are:

a. To produce national, regional and local physical development plans providing an optimum pattern for the use of land and other resources for agricultural and urban purposes.

b. To provide for an orderly urban fabric in terms of national and regional planning policy before development takes place, in order to ease the finance burden on the economy, and to avoid the more expensive procedure of ameliorating and correcting adverse conditions which otherwise arise as a result of uncoordinated development. However, provision must also be made for the latter approach in the case of areas, such as certain sections of Monrovia, which have already developed in a relatively uncoordinated manner.

13.18 Plan Goals During the plan period emphasis will be placed on the following goals:

(a) The current shortage of trained manpower makes it desirable to concentrate on only one aspect of physical planning-urbanization. Accordingly the preparation of national and regional physical development plans will be delayed until additional trained manpower becomes available.

(b) Implementation of a training program to strengthen the physical planning organization.

(c) Support of the program to reactivate the National Housing Authority.

(d) Determine the technical and economic feasibility of land reclamation in the Bushrod Island area, as a source of land for housing, light industry and commercial development.

13.19 Planned Programme The Departments of Public Works and Planning and Economic Affairs will carry on complementary programs for Bureau of Physical Planning of the Department of Planning and Economic Affairs:

a To collect physical planning data and make it available in map, chart, diagram, or graphic forms.

b To conduct the preliminary analyses required in connection with reactiviation of the National Housing Authority, including cooperation with housing experts and other technical staff involved in this program.

c Conduct a study on land reclamation in Bushrod Island area. If the study proves that the project is feasible, external assistance will be sought for its implementation.

13.20 Interest in the reclamation project arises from the fact that a large portion of Monrovia, particularly the section which is well situated for industrial development and housing is now in swamp. Reclamation of this area will go a long way towards providing an impetus to both our proposed programs for small scale industries and also for urban low-cost housing development. Besides from a health standpoint, reclamation will also serve to reduce the incidence of malaria in the capital city by destroying the principal breeding ground for mosquitoes in the Monrovia area.

13.21 External assistance will be sought in studying preliminarily, the technical and economic feasibility of reclaiming this area. If the result of this study is favourable, a physical plan for development of the area will be prepared and a full feasibility study made to support the request for external financing.

To carry out physical planning surveys and prepare schemes for the development of urban areas which may be effected by early developmental proposals involving potential for rapid growth, e.g., Buchanan, which is the proposed site for the Iron and Steel Plant.

13.22 In recognition of the importance of Physical Planning to overall development and planning in Liberia, action will be taken during the plan period to provide adequately trained manpower in this field. Thus assistance will be sought for the training of a minimum of six graduate in Physical Planning with two at the professional level and four at the sub-professional level.

CHAPTER 14

STATISTICS

General Objectives

14.1 The functional role of statistics is three fold. The basis of policy is knowledge, and the basis of knowledge is organized reliable data. Hence, in the first place, statistics are a basic requirement for the preparation of and the subsequent periodic modifications in, national development programs. In the absence of statistics on the past and the present, targets are established purely out of guesses and subjective judgment.

14.2 Secondly, statistics provide policy-makers the bearing by which they determine in which direction they want to move. Sound policies, therefore, are made on the basis of statistical data. In the absence of organized statistics, proposed policies cannot be judged objectively.

14.3 Thirly, since the primary objective of the Development Program is the improvement in the level of living, statistics is the fundamental tool for measuring social and economic impact progress.

Program

14.4 In view of the three tasks of statistics, a summary of a development program for statistics aiming at highly comprehensive, integrated basic account of resources, structure and activities, is proposed for long-term execution:

A. National Accounts

B. General Economic and Financial

1. Capital Formation
2. External Trade
3. Balance of Payments
4. Public Finance
5. Banking
6. Financial Flows and Balances
7. Prices

C. Human Resources
  1. Population Statistics
    i. Population Census
    ii. Vital Statistics
    iii. International Migration

D. Social
  1. Employment and Conditions or Work
  2. Education
  3. Health
  4. Housing
  5. Consumption and expenditures of Households

E. Production
  1. Agriculture, Forestry and Fishing
  2. Mining and Quarrying
  3. Manufacturing
  4. Construction
  5. Electricity, Water
  6. Transport, and Communication

F. Wholesale, Retail and Related Trade

14.5 The foregoing, which are considered basic areas for the development of comprehensive and coordinated statistics, provides a broad long-term framework within which flexible series can be established.

PLAN GOALS

14.6 The Plan Goals for statistics are:

a. Increased Support for Statistical Field Work

Although the Bureau of Statistics has an able professional staff, operations have been hampered by inadequate provision for field work. To insure that statistical data necessary for the implementation of the plan will be forthcoming, adequate provision for field work will be included in the Annual Development Budgets during the plan period.

b. Coordination of Statistical Activities at the County Level.

In 1967 a County Statistical Officer will be assigned to Bong County as a pilot scheme. If this scheme proves successful, other officers will be progressively assigned to the other counties. These officers will be members of the permanent staff of the Bureau of Statistics. Assigned to the Office of the County Superintendent, the Statistical Officer will, among other duties, coordinate all field work of a statistical nature in the County.

c. Coordination between the Bureau of Statistics and the Data Collecting Agencies of Government

The Bureau of Statistics of the Department of Planning and Economic Affairs is the agency in which all statistical activities of Government are centralized. The Official statistics of the Government are published by this Agency. To effectively perform its function, it is necessary for the Bureau to obtain regular and reliable data from private and governmental sources. To this end it is proposed that arrangements be made to establish the means for creating a regular periodic flow of data. Agencies of Government will be encouraged to establish data collecting units and the Bureau of Statistics will provide technical assistance in this process. Emphasis will be given to improve coordination between the Bureau and the data Collecting Units of the Departments of Treasury, Education and the Bureau of Labor Affairs and the National Public Health Services, Commerce & Industry and Justice.

d. Improved Currency and Mechanical Accuracy of Published Statistics

At present, the statistical operations of the Bureau of Statistics include the use of data processing machines capable of a high degree of accuracy and speed. The benefits of these facilities are mitigated by the lack of printing facilities which can directly reproduce the data from the tabulation sheets; thus eliminating the present slow system of cutting stencils from the tabulation sheets with its high incidence of errors. It is proposed that the Bureau be equipped with an appropriate printing equipment.

14.7 The estimated cost of the statistical programs over the Plan Period are:

1967	$10,000
1968	40,000
1969	40,000
1970	100,000

14.8 Except for the proposed national population sample census scheduled for 1970, these programs do not require any major increase in budgetary appropriations.

CHAPTER 15

MANPOWER

15.1 A primary determining factor of orderly economic growth is the availability of manpower able to perform the increasingly complex tasks required for accelerated development.

15.2 The basic source of manpower data is the Population Census of 1962. In April 1962, the total population of the country was 1,016,443 of whom 503,588 or 49.5% were males and 512,855 or 50.5% were females. Of the total population 75 percent lived in four of the then twelve political sub-divisions: 32 percent in Central Province, 16.8 percent in Western Province, 16.4 percent in Montserrado County and 9.8 percent in Bassa County. Table 1 shows this distribution for the whole country.

15.3 In respect of the age distribution, about 16 percent were less than 5 years of age and about 29 percent were between 5 and under 20. The distribution of the population by sex and age is shown in table 2.

15.4 Based on the data from the 1962 population census which showed an economically active population of 40.5 percent and an estimated natural growth of 1.6 percent, it appears that about 7,000 persons a year enter the working force. To those seeking employment among the new entrants to the labor force must be added the backlog of unemployed.

15.5 Labor participation rates of the countries of Gabon, Ghana, Morocco and Tunisia along with the computed rates for Liberia are

TABLE I

TOTAL POPULATION BY SEX AND POLITICAL SUB-DIVISIONS,1962

(000)

Sub-Division	Both Sexes		Male		Female	
	Number	%	Number	%	Number	%
All Liberia	1,016.4	100.0	503.6	100.0	512.9	100.0
Central Province	325.2	32.0	159.7	31.5	166.5	32.5
Western Province	170.9	16.8	79.4	15.7	91.6	17.9
Montserrado	166.8	16.4	96.1	19.1	70.7	13.8
Grand Bassa	99.6	9.8	48.2	9.6	51.4	10.0
Eastern Province	63.7	6.3	28.0	5.6	35.7	7.0
Sinoe	44.6	4.4	21.6	4.3	23.0	4.5
Maryland	39.3	3.9	20.1	4.0	19.3	3.7
Cape Mount	32.2	3.2	16.2	3.2	16.0	3.1
Rivercess Territory	28.8	2.8	13.4	2.7	15.3	3.0
Kru Coast Territory	21.3	2.1	9.7	1.9	11.6	2.2
Marshall Territory	14.4	1.4	7.7	1.5	6.8	1.3
Sasstown Territory	9.5	0.9	4.5	0.9	5.1	1.0

TABLE 2

POPULATION BY SEX AND AGE, 1962

Age Group	Total	%	Males	%	Females	%
All Ages	1,016,433	100.0	503,588	100.0	512,855	100.0
Under 5	165,382	16.3	81,625	16.2	83,757	16.3
5 - 9	133,762	13.2	68,809	13.7	64,953	22.7
10 - 14	78,595	7.7	43,483	8.6	35,112	6.9
15 - 19	83,297	8.2	39,248	7.8	44,049	8.6
20 - 24	84,358	8.3	34,757	6.9	40,601	9.7
25 - 29	95,292	8.4	40,220	8.0	55,072	10.7
30 - 34	81,991	8.1	36,750	7.3	45,241	8.8
35 - 39	69,438	6.8	34,459	6.8	34,979	6.8
40 - 44	58,611	5.8	31,367	6.2	27,244	5.3
45 - 49	44,262	4.4	24,715	4.9	19,547	3.8
50 - 54	34,293	3.4	19,746	3.9	14,547	2.8
55 - 59	22,777	2.3	13,296	2.6	9,481	1.9
60 - 64	23,881	2.4	13,130	2.5	10,751	2.1
65 - 69	16,106	1.9	8,808	1.8	7,298	1.4
70 - 74	9,221	0.9	4,363	1.0	4,358	0.9
75 and over	15,077	1.5	8,212	1.5	6,865	1.3

given in table 3. Due to difficulties of definitions of working population inherent in all developing countries it would not be appropriate to compare the total labor participation rate[1] for any country with that of Liberia. However, it would be thought-provoking to compare these rates for certain age groups for which perhaps definitional problems would not seriously invalidate the comparison.

15.6 Males in the age group 20-64 provide the most valid comparable results. Excluding Gabon, Liberia had the lowest labor participation rate for males in the age group 20-64. One possible reason for this smaller percentage may perhaps be the rather late entry into the labor force by Liberians. This conclusion is reinforced by the fact that Liberia has a substantially lower labor participation rate in the age group 15-19 compared to other countries. It may be concluded therefore that Liberians start work at a later age than the population of some of the other developing African countries.

TABLE 3

LABOR PARTICIPATION RATES OF LIBERIA AND OTHER DEVELOPING AFRICAN COUNTRIES

Country	Year	Male			Female		
		15-19	20-64	65+	15-19	20-64	65+
Gabon	1963	66.7	69.9	16.7	35.7	55.6	20.0
Ghana	1960	61.0	95.5	71.3	53.3	58.2	42.6
Liberia	1962	46.5	89.1	64.3	34.9	45.8	20.4
Morocco	1960	61.1	93.4	66.7	9.9	8.8	6.4
Tunisia	1956	67.1	94.9	77.4	36.4	37.3	11.3

---

[1] $\left(\frac{\text{Working population}}{\text{Total population}} \times 100\right)$

TABLE 4

ECONOMICALLY ACTIVE POPULATION AND LABOR PARTICIPATION RATES BY AREA, 1962

Areas	Total Population			Economically Active Population			Labor Participation Rates		
	Both Sexes	Males	Females	Both Sexes	Males	Females	Both Sexes	Males	Females
All Areas	1,016,443	503,588	512,855	411,794	263,560	148,234	40.5	52.3	28.9
Monrovia City	80,992	47,191	33,801	26,825	23,650	3,175	33.1	50.1	9.4
Buchanan City	11,909	6,795	3,114	3,566			29.9	48.5	5.3
Harbel City	31,730	19,026	12,704	13,638	13,407	231	43.0	70.5	1.8
Maryland County	39,349	20,081	19,268	14,442	9,457	4,985	36.7	47.1	25.9
Cape Mount County	32,190	16,163	16,027	13,443	8,677	4,766	41.8	53.7	29.7
Montserrado County Excl. Monrovia, and Harbel	54,075	29,839	24,236	19,229	15,847	3,382	35.6	53.1	14.0
Grand Bassa County Excl. Buchanan	87,657	41,402	46,255	37,884	21,955	15,929	43.2	53.0	34.4
Sinoe County	44,639	21,610	23,029	17,209	8,994	8,215	38.6	41.6	35.7
Central Province	325,230	158,748	166,482	142,516	85,268	57,248	43,8	53.7	34.4
Western Province	170,942	79,398	91,584	62,726	42,582	20,144	36.7	53.7	22.0
Eastern Province	63,712	28,025	35,687	32,611	[illegible]	18,722	51.2	49.6	52.5
Marshall Territory	14,442	7,675	76,767	5,178	4,403	775	35.9	57.4	11.5
Rivercess Territory	28,756	13,448	15,308	9,803	6,052	3,751	34.0	45.0	24.5
Kru Coast Territory	21,280	9,751	11,529	10,449	4,421	6,028	49.1	45.3	52.3
Sasstown Territory	9,540	4,476	5,064	2,275	1,665	610	23.8	37.2	12.0

15.7 Table 4 gives the total population, the economically active, and labor participation rate for various areas of the country.

15.8 In planning for economic development it is quite necessary to have some knowledge of the existing industrial activities of a country and the Manpower resources devoted to these activities. The percent distribution of the working population by industry and type of employment for Liberia and Ghana is shown in tables 5 and 6.

TABLE 5

PERCENT DISTRIBUTION OF WOKRING POPULATION (BOTH SEXES) IN GHANA AND LIBERIA BY MAJOR INDUSTRIES, 1962

Major Industries	Total	
	Liberia	Ghana
All Industries	100.0	100.0
Agriculture, Forestry, Hunting and Fishing	80.9	61.6
Mining and Quarrying	3.5	1.9
Manufacturing	2.1	9.2
Construction	2.9	3.5
Electricity, Gas, Water and Sanitary Services	1/	0.5
Commerce	2.8	14.5
Transportation, Storage and Communication	0.9	2.7
Services	6.0	6.1
Activities not adequately described	0.8	-

1/ Less than 0.1 percent. - No information.

TABLE 6

PERCENT DISTRIBUTION OF THE ECONOMICALLY ACTIVE POPULATION, LIBERIA AND GHANA, BY OCCUPATION

Occupational group	Percent to Economically Active Population	
	Liberia	Ghana *
All occupations	100.0	100.0
Professional, etc.	1.8	2.3
Administrative, Executive, Managerial workers	0.5	0.5
Clerical workers	1.1	1.7
Sales workers	2.7	13.5
Farmers, Fishermen, etc.	78.7	61.0
Miners, Quarrymen, etc.	1.7	1.3
Workers in Transport and Communications	1.5	2.0
Craftsmen and Production process workers	8.3	15.5
Service, Sports and recreation workers	1.9	2.1

* Yearbook of Labour Statistics I.L.O. 1964

The Manpower Commission

15.9 The relative importance of the role of Manpower Planning and development is reflected in the creation in 1966, as a subsidiary body, of the National Planning Council. The Commission consists of the following agencies and institutions:

The Department of Education, Chairman
The Department of State, Member
The Department of Defence, Member
The Department of the Treasury, Member
The Department of Agriculture, "
The Department of Planning & Economic Affairs, Member
The Department of Commerce & Industry, "
The Department of Internal Affairs "
The University of Liberia, "
The Civil Service Commission,
Labour & Management,

15.10 The Commission is served by a Secretariat which is within the Department of Planning & Economic Affairs.

General Manpower Objectives

15.11 The general objective during the plan period is the formulation by the Manpower Commission of manpower policy within the framework of overall economic and social development with respect to the following basic elements:

a) Population Policy

b) Employment objectives of the Development Plan

c) Education Policy

d) Manpower Training Policy.

15.12 To facilitate the formulation of such policies, the Secretariat will assemble and analyse the following data:

For the population study - The population growth in terms of birth rate, death rate and migration; the geographic distribution of the population in urban and rural areas; housing and physical planning information.

Employment objectives of the Development Plan - The draft Development Plan and the sectorial plans with the targets of production and employment required to reach the target. The information on manpower will be furnished by the Bureau of Labour and the information on production by the Department of Agriculture and the Department of Commerce and Industry. A Labour Force survey will be conducted for 1969-1970.

Education Policy - The illiterate population by age, sex and location; the number of schools by size of enrollment and location and by level of education; the statistics of vocational and technical education; the educational level of the labour force; and the educational expenditure in the past five years. The foregoing information will be furnished by the Department of Education.

Manpower Training Policy - Data on the existing training facilities and on in-service training conducted by the various enterprises and concessions will be assessed by the Secretariat.

Program

15.13 The program of the Manpower Commission is divided into two broad categories, a short-term program to be executed in 1967 and a long-term program of work to be carried out during the rest of the plan period.

The Short Term Program

15.14 This program covers the following activities:

a) The projection of the population to 1970;

b) A study and analysis of enrollment and graduates by grades;

c) A study and analysis of teachers, the grades they teach and their qualifications;

d) A study and analysis of expenditures on education in terms of unit cost per pupil;

e) A study of the scholarship program;

f) A study and analysis of the Manpower needs of project, public and private, in the Development Plan;

g) Analysis of the 1966 employment survey of the Bureau of Statistics.

The Long-Range Program

15.15 This covers the following work in:

a) The translation of the Development Plan, both the public and private sectors, into production targets in order to establish future manpower needs in terms of quality and quantity. This assumes that statistical studies of production will be given priority in the statistics program.

b) The continuous analysis of the future production and supply of students and teachers by individual school levels. An assumption is again made that a regular reporting of educational data along such lines will be established.

c) The continued analysis of data on employment in terms of manpower.

CHAPTER 16

PLAN IMPLEMENTATION

16.1 The Plan should be considered as the general framework within which Government is to operate during the next four years. The maintenance of Plan discipline in the formulation of the National Budget and in the consideration of economic policy during the plan period does not, of course, mean that Government is left without flexibility in the decision-making process. To view the implications of the Plan in this way would be highly unrealistic.

16.2 Dealing as it does with four years extending into the future, the Plan has inherently implicit in it a significant degree of uncertainty. Market and price conditions will certainly diverge from those assumed in the Plan; some of the projects and programs in the Plan are specifically identified as pilot in nature - that is, experimental - and it cannot be predicted at this time whether the outcome of these experiments will be positive or negative. New opportunities, unforeseen at present, will undoubtedly arise. Thus the application of the Plan as a guide to action and policy must be flexible. The Plan will be kept under constant evaluation and review, with necessary adjustments or modifications being made from time to time in accord with the following procedures.

what are t

16.3 The National Development Plan and the Budget Process - In order to implement the Plan:

a) The Bureau of the Budget, in consultation with the Department of Planning and Economic Affairs, will give priority in the

where d
real
rest

Who take the initiative to propose any program or set a plan? Who advocates putting it in the Budget, Who reviews it; follow
with the planning office, the respective Dept and who co-ordinate

allocation of resources to programs and projects specified in the National Development Plan.

b) The Development Budget will specify annual appropriations and suggested quarterly allotments meeting requirements for efficient implementation for development programs, projects and activities included in the National Development Plan. These appropriations will be incorporated within the Annual Budget.

c) New development programs, projects or activities, i.e., those not specified in the National Development Plan, must have the approval of the National Planning Council before submission to the Bureau of the Budget for consideration. The National Planning Council, at its discretion, will inform the Budget Bureau of the priority of its recommendation: Top Priotiry, i.e., recommended for incorporation into the annual budget or simply indicate High Priority, i.e., to be budgeted when resources become available.

d) The Bureau of the Budget will consult with the Department of Planning and Economic Affairs before authorizing budgetary transfers affecting programs, projects on activities in the Development Budget.

e) A Committee, composed of representatives of the Department of the Treasury, Department of Planning and Economic Affairs, the Bureau of the Budget and SCOGO, will make periodic reports to the President analysing the relative trends in expenditure on development programs, projects and activities as well as other Government expenditures. These reports will, among other things, summarize progress noted in plan implementation and in expenditure control required to ensure maximum development.

16.4 It is the long term objective of Government to adjust program and performance budgeting. The annual Development Budget, which identifies development programs, projects and activities within the annual budget and the related review and reporting procedures specified in Executive Order No. 7, 1965, are first steps in the introduction of program and performance budgeting. During the Plan special emphasis will be given to the continued expansion of this type of activity in those areas which most easily lend themselves to program type budgeting e.g., road construction and the national rice program.

16.5 Plan Revision - The success with which a plan is able to anticipate future conditions and spell out appropriate policy and action, taking these conditions into account, is a function of the term of the plan. The trend in the developing world to elect shorter plan periods is a recognition of the inherent limitations of long range economic forecasts. This difficulty is compounded by the dominant role of external economic forces e.g., international prices, technological change, and fluctuation in the level of international economic activity on the developing economics.

16 .6 To keep the Plan current it is contemplated to carry out periodic plan revisions designed to adjust to changes in resource availability and to incorporate new activities and projects. At the mid-plan, revenue and expenditure forecasts for 1969 and 1970 will be revised and forecasts covering 1971 and 1972 will be introduced. Through this general procedure the Plan will be maintained current and continue to be a realistic framework for economic decision-making.

16 .7 Reporting on Plan Implementation: The responsibility for reviewing implementation of planned projects and programs and reporting on progress made will be distributed as follows:

a) Reports to the Legislature

All departments and agencies having projects and programs in the Plan will include in their annual report to the Legislature a section titled "Development Activities" which will summerize accomplishment in the implementation of said agencies development activities.

b) Reports to the National Planning Council

One of the functions of the Department of Planning and Economic Affairs laid down in Executive Law, Section 683, (10) is to: "Review progress made on programs and projects which have been adopted, initiating special investigations into the execution of these programs and projects and report findings and recommendations to the National Planning Council".

16.8 In order to carry out this function the Department of Planning in close co-operation with executing agencies and, where appropriate, foreign aid gives, will submit periodic reports to the Chairman of the National Planning Council on plan implementation. These reports will describe progress made in implementing programs, projects and activities specified in the Plan. Where appropriate, suggestions will be made for the resolution of problems interferring with successful plan implementation.

16.9 The executing agencies and the Department of Planning and Economic Affairs will cooperate in the preparation of these periodic progress reports.

16.10 External Assistance: The Plan will be made available to sources of external assistance as a formulation of Liberia's development objectives, and a description of economic and planned activity.

16.11 Goals and priorities specified in the Plan will serve as criteria for the National Planning Council in carrying out its functions relating to review and evaluation of programs to be carried out with foreign countries. The availability of foreign aid will not, in itself, be considered sufficient justification for approval of a given proposal. Executive Order

No. VI, 1965 specifies the procedure for the elaboration, approval and implementation of programs, projects and activities carried out with foreign aid. These provisions include the following:

a) the review and approval of proposed projects on behalf of Government is the responsibility of the National Planning Council.

b) The Department of Planning and Economic Affairs, in its function as Secretariat to the National Planning Council, will receive and study all project proposals involving foreign aid for the purpose of making recommendations for appropriate action to the Council. Approval by the Council constitutes official commitment of Government to the project. In addition, the Technical Assistance Commission is empowered to take necessary measure to expedite project implementation.